



Daily Report

China

FBIS-CHI-90-195
Tuesday
9 October 1990

Daily Report

China

FBIS-CHI-90-195

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9 October 1990

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Reportage on Activities of Qian Qichen at UN

Gives Interview

HK0710053490 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 6 Oct 90 p 4

[Report by reporter Cang Lide (0221 4539 1795): "Qian Qichen Interviewed in New York by Staff Reporter on International Issues and China's Relations with the West"]

[Text] United Nations, 4 Oct (RENMIN RIBAO)—Chinese Foreign Minister Qian Qichen, head of the Chinese delegation to the 15th United Nations General Assembly, was interviewed by this paper's reporter in New York this evening. Foreign Minister Qian answered this reporter's questions on China's recent diplomatic activities, especially during the session of the UN General Assembly.

RENMIN RIBAO reporter: What are your impressions on the current session of the UN General Assembly?

Qian Qichen: Compared with the 1989 UN General Assembly, I find that the current session has two characteristics: First, the 1990 UN General Assembly is convened under the clouds of the Gulf crisis. The international community has shown universal concern for the Gulf situation, and a solution to the Gulf crisis has become the key topic of representatives from various nations.

And second, my impression is that the atmosphere during the meetings was vastly different from that of last year. Since my arrival here on 24 September, I have come into extensive contacts with representatives from various nations of the world, met the senior leaders and foreign ministers of 63 countries, and talked with several regional organizations, including the Gulf Cooperation Council, ASEAN, the Rio Group, and the EEC. I felt that various countries have universally paid attention to China's role in the UN and international affairs.

Question: How do you view China's role in the UN?

Answer: As one of the five Security Council permanent members, China's role can be illustrated by being "important and peculiar." For example, China has played an important role in the comprehensive political settlement of the Cambodian issue. Take another example, in discussing relevant resolutions at the Security Council since the Gulf crisis broke out last August, China has, on several occasions, adhered to the stand of opposing resorting to force, while supporting the proposal that food supply and medical aid should not be ruled out in exercising economic sanctions against Iraq out of humanitarian purpose; China's views have been respected.

While discussing the implementation of an air embargo against Iraq at the recent session of the UN Security

Council, China's view of observing the Chicago Pact to strictly guard against hurdles in the safety of passenger traffic in civil aviation has been written into a resolution through China's efforts.

A meeting of the foreign ministers of the five UN Security Council permanent members, a rare case in history, has been held at the current session of the UN General Assembly to discuss the Gulf crisis.

China, as one of the Security Council permanent members, has always believed that when a resolution is made on an international issue, the five permanent members should negotiate with non-permanent members on an equal footing, and the views of all UN members should be fully respected.

Question: How are China's relations with the West presently?

Answer: I have recently made extensive contacts with representatives from Western countries, and met the foreign ministers of the ECC members, the United States, Canada, Australia, and Japan; most of these countries hold a positive attitude towards their relations with China. Japan has restored its yen loans to China; the foreign minister of Italy, the EEC chairman, stated that he is for the normalization of Sino-EEC relations; the Spanish foreign minister has decided to visit China in the foreseeable future; while the United States expressed the hope that the two countries should normalize their relations as quickly as possible.

An increasingly greater number of Western countries have come to see that continuing sanctions against China does not fall in line with their own interests. Therefore, despite the fact that the West has not entirely lifted their sanctions against China, their attitude toward China has shifted on how to restore, improve, and develop the relations.

Question: How do you assess China's recent diplomatic activities?

Answer: China has been active in its recent diplomatic activities. Marked events were: China has reestablished diplomatic ties with Indonesia, and established diplomatic relations with Saudi Arabia since the beginning of July this year; now, China has established diplomatic relations with Singapore.

Diplomacy is the continuation of domestic affairs. Presently, China enjoys political stability, social peace and tranquility, and continuous economic development at home, while pursuit of the policy of reform and opening up has continued. All this has provided Chinese diplomacy more room to maneuver and created a favorable situation.

China has maintained friendly relations with the Third World, and has many friends in Asia, Africa, and Latin America, while many countries hope to get China's sympathy and understanding in international affairs. The world has seen, over the past year or so, that China

has continued reform and opening up, and the foreign policy of independence, taking the initiative in its own hands, and peace, while it has continued to play a positive role in the international arena.

Views Diplomatic Ties

HK0810043890 Beijing ZHONGGUO XINWEN SHE
in Chinese 1311 GMT 7 Oct 90

["Qian Qichen Speaks on China's Relations With South Korea, Israel, and the Vatican"—ZHONGGUO XINWEN SHE headline]

[Text] New York, 6 Oct (ZHONGGUO XINWEN SHE)—In a recent discussion on China's relations with South Korea, Israel, and the Vatican here, Foreign Minister Qian Qichen excluded the possibility of establishing diplomatic ties with them in a short time.

Foreign Minister Qian Qichen said on 4 October during a special interview with the reporter from New York's QIAO BAO [0294 1032] that: "We are not in a hurry to establish diplomatic relations with South Korea. The relations we are now developing are mainly trade relations at the non-governmental level; the trade figures are quite big. Why do we think this way? It is because we consider that it will be beneficial to peace and stability on the Korean peninsula. Therefore we will not establish diplomatic relations with South Korea for the time being. However, if North Korea wants to improve relations with the United States and Japan, or to establish diplomatic relations with the Soviet Union and South Korea, we have no objection."

At the recent UN General Assembly meeting, Qian Qichen met Israel's foreign minister. Foreign Minister Qian Qichen said: "I said to him that Sino-Israeli relations should be gradually improved along with the development of the peace process in the Middle East problem. At present, there are no official relations between China and Israel. We only have a travel agency in Tel Aviv. They have a Beijing office of academy of humanities, which is a non-governmental organization. The establishment of official diplomatic relations can only be possible along with the development of peace in the Middle East problem."

As for the Vatican, the Chinese foreign minister pointed out: "It still has relations with Taiwan; it must first break off its relations with Taiwan if it wants to establish relations with us. Also, the Vatican has always insisted that the pope can interfere in the religious affairs in various countries, and this point we cannot accept. If it can change on this problem, then the situation will certainly be different."

Stresses Need for Stability

OW0610031290 Beijing XINHUA Domestic Service
in Chinese 1015 GMT 5 Oct 90

[By reporter Liu Huorong (0491 3499 2837)]

[Text] New York, 4 Oct (XINHUA)—Chinese Foreign Affairs Minister Qian Qichen pointed out here today that the current session of the United Nations General Assembly has two extremely important aspects: First, its universal concern over the Gulf issue, and second, its vastly different attitude toward China as compared to last year.

In an interview with reporters of XINHUA, RENMIN RIBAO, and the international broadcasting station, Foreign Minister Qian said: The current session of the UN General Assembly is being held, engulfed in the dark clouds of the Gulf crisis. This being the case, the representatives of various countries have expressed universal concern over the Gulf situation, and the quest for solutions to the Gulf issue has become the principal topic of discussion.

He said that since the opening of the current UN General Assembly session, there has been a marked change in the attitude of various countries toward China. The atmosphere inside and outside the meeting is different from that of last year. He has had extensive contacts with representatives from other countries; he has had meetings with representatives from 61 countries, including the foreign ministers of the nine members of the European Community and the seven other industrialized countries. He feels that all countries universally attach great importance to the role China has played in the United Nations and in international affairs. Last year's situation where countries of the West exercised pressure on China has changed completely.

Foreign Minister Qian continued: As one of the five permanent members of the Security Council, China plays an important role in the Security Council, especially during discussions on political settlements of the Cambodian issue and the Gulf crisis. He said: When the series of resolutions concerning the Gulf issue were discussed at the Security Council, China time and again insisted that force should not be used; it proposed that food and medical assistance for humanitarian purposes should not be part of the economic sanctions and embargo against Iraq; and that civil passenger transport should not be obstructed. These views and proposals were respected and received.

On China's diplomatic activities, Foreign Minister Qian said: Chinese diplomacy has been lively. Since last July, China has reestablished diplomatic relations with Indonesia and established diplomatic ties with Saudi Arabia and Singapore. He said: China's current political and social stability, sustained economic growth, and continued reform and open policy provide Chinese diplomacy with a lot of room to maneuver.

He pointed out: China maintains good relations with the Third World and has many friends in Asia, Africa, and Latin America. In the West, an increasing number of countries have come to understand that sanctions against China are not in their interests. Thus, although they have yet to remove the sanctions, their attitude

toward China has changed to become one of how to restore, improve, and develop relations with China.

He pointed out: China's peaceful diplomatic policy, China's anti-aggression stand on the Gulf issue, and China's efforts on the Cambodian issue have great impact on the world. People realize that the world is in need of a stable China.

Notes Improved Diplomatic Atmosphere

OW0510154890 Beijing Domestic Service
in Mandarin 1030 GMT 5 Oct 90

[By Chen Yurun, station reporter at the United Nations; from the "National Hookup" program]

[Text] In an interview with this reporter in New York yesterday, Chinese Foreign Affairs Minister Qian Qichen said that Chinese diplomacy has become lively again.

Foreign Minister Qian said that during his attendance at the United Nations General Assembly session, he also had meetings with foreign ministers or senior leaders of 61 countries, including the foreign ministers of the United States, Canada, the European Community members, and other countries of the West.

He said: My impression is that the atmosphere during the meetings was vastly different from that of last year. The situation of exercising pressure on China has changed completely. The main topics of discussion were how to restore and develop bilateral relations and how they appreciated the role China has played in the UN Security Council, especially China's stand on the Gulf issue. These countries considered this as an important sign showing China's willingness to cooperate with them.

Foreign Minister Qian said: China reestablished diplomatic ties with Indonesia and established diplomatic ties with Saudi Arabia and Singapore recently. Diplomacy is an extension of internal policy. The reason why China's diplomacy has become lively again is primarily because China continues to uphold the policy of carrying out reform and opening to the outside world and because China enjoys political and social stability and economic growth. The world realizes that China cannot be isolated. China needs stability, and the world also wants to see a stable China. This provides Chinese diplomacy more room to maneuver.

More on Asian Society Speech

HK0710060690 Beijing RENMIN RIBAO in Chinese
4 Oct 90 p 6

[Report by reporter Cang Lide (0221 4539 1795): "Foreign Minister Qian Qichen Addresses American Asia Society, Explains Asian Situation and China's Position"]

[Text] United Nations, 2 Oct (RENMIN RIBAO)—Chinese Foreign Minister Qian Qichen attended the Asian Society luncheon report meeting and delivered a speech in New York today. He stated, China's economic

construction needs a peaceful international environment as well as the friendly cooperation of various countries in the world. China will firmly pursue a peaceful foreign policy of independence and taking the initiative into its own hands. China has all along attached importance to developing good-neighborly and friendly relations with Asian countries on the basis of the five principles of peaceful coexistence.

On China's relations with its surrounding countries, Minister Qian said that China has already normalized its relations with the Soviet Union and Mongolia and further improved or developed relations with other countries in the region, including South Korea.

On the Korean peninsula, Qian Qichen stated, China has all along made its judgment and adopted its position based on whether it is favorable to the relaxation and stability of the Korean peninsula. We believe, a basic way out of the Korean issue lies in a peaceful settlement of national reunification through negotiations and talks between the northern and southern sides of Korea in the absence of foreign interventions. Recently, dialogues between the two sides have resumed, and recently a meeting has been held between the premiers of the DPRK and South Korea, the first ever dialogue between the two sides since the Second World War. This is a welcome development for which we wish to express our appreciation. It is our hope that the dialogue will continue with positive results. China supports the positive efforts of the DPRK to relax the tense situation on the Korean peninsula, to realize the peaceful reunification of the nation, and taking the initiative in its own hands. We also hope that relevant parties will adopt effective measures to greatly reduce the level of military confrontation in this region. China and South Korea have in recent years established nongovernmental ties and unfolded nongovernmental trade on a considerable scope. We believe that such practice is favorable to pushing forward the situation on the Korean peninsula toward relaxation and stability.

Qian Qichen stated that not long ago, representatives of the four factions in Cambodia pronounced that all factions would accept the document adopted by the five permanent members of the United Nations Security Council, and reached an accord on founding a Cambodian Supreme National Council. This has been an important breakthrough in the political settlement of the Cambodian issue, and an important result of the unremitting efforts of the international community to end the Cambodian conflicts and restore peace there in recent years. We are for linking the negotiation of the five permanent members of the Security Council, the efforts of various countries in the Southeast Asian region to the reconciliation of the four factions in Cambodia to seek a political settlement of the Cambodian issue within the framework of the Paris International Conference. We hope that the Supreme National Council will elect Prince Norodom Sihanouk as its president and enhance mutual trust and cooperation among its members "with a view to bringing about genuine national reconciliation and an

early return of peace and stability in the country." He added that with the settlement of the Cambodian issue, we believe Sino-Vietnamese relations will gradually be improved and normalization will be realized.

Referring to Asia-Pacific economic cooperation, Qian declared, we believe that without China's participation, Asia-Pacific economic cooperation would be incomplete. China, as a sovereign state, should become a full member of the Asia-Pacific Economic Cooperation Conference (APEC), while Hong Kong and Taiwan as economic regions may participate in the APEC in an appropriate status, he added.

In conclusion, Qian Qichen said, as two big countries in the world and the Asia-Pacific region, China and the United States shoulder a great responsibility for peace in Asia and the world as a whole and share the responsibility for the cooperation and prosperity in the Asia-Pacific region. We believe, the resumption and growth of normal relations between the two countries and their cooperation will not only benefit the Chinese and American peoples, but also be conducive to peace, stability, and development in Asia and the whole world.

Departs New York

OW0710133190 Beijing XINHUA in English
1252 GMT 7 Oct 90

[Text] United Nations, October 7 (XINHUA)—Chinese Foreign Minister Qian Qichen left here for home this morning after attending the current session of the U.N. General Assembly.

Qian made a statement at the General Assembly, elaborating China's views and position on a number of major international issues, including the Gulf crisis, the Cambodian question, disarmament and economic development.

During his two-week-long stay here, Qian met with dozens of foreign ministers of various countries, including the foreign ministers of Britain, France, the Soviet Union and the United States as well as many developing countries. He exchanged views with them on some major international issues and the development of bilateral relations.

He also attended the World Summit for Children in the capacity of the representative of the head of the Chinese Government.

He was seen off at the Kennedy Airport by U.N. Under-Secretary-General Xie Qimei, permanent representative of China to the U.N. Li Daoyu, Chinese Consul General to New York Weng Fupei and some other senior officials from the Chinese mission to the United Nations.

Li Peng, Yang Shangkun Greet Summit for Children

HK0910030590 Beijing RENMIN RIBAO in Chinese
30 Sep 90 p 1

["Yang Shangkun and Li Peng Send a Message Greeting the Convocation of the World Summit for Children"]

[Text] The World Summit for Children:

On the occasion of the World Summit for Children being held at the UN Headquarters in New York, we warmly congratulate the opening of this conference on behalf of the Chinese Government and the entire Chinese people, including 300 million Chinese children.

We are happy to see that heads of state and their representatives have gathered to discuss the question of children around the world. Children are the flowers of society, the future of mankind, and are where the hope for social progress and economic development lies. This conference has major significance. The world will be able to cope with the challenges in the 21st century only when children are protected in such a manner that they will grow up healthily and develop in an all-around way. This is a matter of lasting importance for human society. We hope the international community will show special concern for children in developing countries and create better conditions for their existence and development.

Thirty percent of the Chinese population is children, accounting for one-sixth of the world's children. The Chinese Government has always taken serious account of the work concerning children and has also formulated a development program for children. For the last 40 years since the founding of New China, marked improvements have been made in the health, nutrition, education, and welfare of children as well as in medical protection for women and children. The Chinese Government pays special attention to children's elementary education and the work concerning their health and immunity. China is making continuous efforts to basically popularize nine-year compulsory education. By the end of 1988 China had inoculated 85 percent of children in 30 provinces of the country and will make further efforts to inoculate 85 percent of children in some 2,000 counties throughout the country by the end of 1990. The Chinese Government will make every effort to ensure that Chinese children will grow up sturdily on the vast expanse of Chinese soil.

Over the last few years the UN Children's Fund has done a great deal for the well-being of children around the world, thus enabling various countries to take serious account of the work concerning children and promoting international cooperation. Cooperation between the Children's Fund and China is quite effective and satisfactory.

We believe the World Summit for Children will encourage the international community and different governments to show concern for the existence, protection, and development of children in the 1990's. We wish the conference a satisfactory success. At the same time

we also wish to take this opportunity to express our respects for the relevant governments, international institutions, and personnel who have all made contributions to initiating and preparing for this conference.

Yang Shangkun, president of the People's Republic of China

Li Peng, premier of the State Council of the People's Republic of China

Beijing, 29 September 1990

UN Envoy Views Israeli, Palestinian Issue

OW0910012490 Beijing XINHUA in English
0057 GMT 9 Oct 90

[Text] United Nations, October 8 (XINHUA)—China today earnestly urged the international community to take urgent and effective measures to stop Israel's suppression of the Palestinian residents and other illegal acts in the occupied territory.

Speaking at the UN Security Council which began consideration on the situation in the occupied territory, Li Daoyu, Chinese ambassador to the UN, pointed out that the situation in the occupied Palestinian territory has remained turbulent, because the Israeli authorities, instead of reducing its suppression on the Palestinian people, have committed more atrocities."

The Chinese ambassador strongly condemned the Israeli authorities for their acts of suppression of the Palestinian residents and called upon Israel to guarantee the safety of the Palestinians.

Since the situation is extremely serious, he said, the international community should take urgent and effective measures to stop the illegal acts of Israel and to protect the life and property of the Palestinian people in the occupied territory.

He supports immediate and necessary actions taken by the Security Council in this regard.

He pointed out that the Middle East question has remained unsolved for as long as 40 years. The Palestinian Liberation Organization, other Arab countries, and the international community have made enormous efforts to solve the problem, and, to this end, the UN Security Council has adopted many resolutions.

But Israel still refuses to recognize the national rights of the Palestinian people and does not want to give up the Arab territories under its occupation, he added.

The ambassador stressed that the Middle East question is closely linked with world peace and the Palestinian question is the core of the Middle East question.

"As long as the Palestinian question remains unsolved, there can be neither lasting peace in the Middle East region nor peace and tranquility in the world."

He told the council that although the grave crisis in the Gulf region demands a solution, "We should not forget

the importance of promoting the peace process in the Middle East and seeking fair, reasonable, and comprehensive settlement."

"Therefore," Li said, "it is time for the international community to ponder seriously and take practical steps to seek a solution of the Middle East question."

"We hope that the unanimity and effectiveness shown by the Security Council recently will provide us with new opportunities to solve the Middle East question and particularly the Palestinian question," he added.

He called upon the international community to continue its efforts to promote the peace process in the region and demanded Israeli withdrawal from all Arab territories. He hoped that the State of Palestine and the State of Israel will recognize each other on the basis of peaceful coexistence between the Arab and Jewish peoples.

Reportage on Closing Ceremonies of Asian Games

Ceremony Described

OW0710141190 Beijing XINHUA in English
1258 GMT 7 Oct 90

[Text] Beijing, October 7 (XINHUA)—3,300 Asian athletes and coaches in their holiday best were immensely amused as an acrobatic giant panda had an emotion-packed rendezvous here tonight with Poppo and Cuccu, the male-and-female mascots of the 1994 Hiroshima Games to the accompaniment of happy laughter and clappings from the 70,000 stands and night-shrouded rockings of trendy disco tempo.

The Asian Games, the festival of the Asian youth, under a motto of unity, friendship and progress, wound up with a glittering show of arc, torch and meteoric lights.

The young people had enough reasons to celebrate. In the past 14 days of intense competitions, they rewrote four world record, 42 Asian records and 98 Games records, doing their part in promoting the development of world sports. In the meantime, they made numerous new friends while having met lots of old ones.

"May the youth of Asia ever celebrate the Asian Games in the spirit of brotherhood and for the good of humanity," Roy de Silva, vice-president of the Olympic Council of Asia (OCA), said in his message to declare the close of the Beijing Asiad.

"Let us meet again in Hiroshima four years later," the OCA vice-president said.

Seated on the rostrum were Chinese leaders Jiang Zemin, Yang Shangkun, Li Peng, Wan li, Qiao Shi and Li Ruihuan, and Sultan Azlan Sha, supreme head of state of Malaysia and president of the Asian Hockey Federation; Hoang Van Hoan, Thianchai Sirisamphan, former deputy-prime minister of Thailand; high-ranking sports

officials from different countries and regions, foreign diplomatic envoys to China, and Overseas Chinese celebrities.

Ushered in by a 110-strong phalanx of flower-waving maids, athletes from 37 countries and regions entered the stadium with its bowl rim flying the flags of the participating OCA members. The athletes from the Pacific island nation of Maldives marched first into the track, followed by Bhutanese in felt boots, Bahrainis in fresh red robes and Pakistanis in green suits.

The Japanese ladies dressed in white and red striped blazers, white trousers and sneakers drew repeated applause from the stands while the Qataris in pure white robes and head bands who garnered three golds in the men's 100m, 1,500m and 5,000m received wild cheers.

A solemn ceremony was held to hoist the flag of the OCA, the national flag of China and the national flag of Japan, the host of the 1994 Asian Games.

He Zhenliang, president of the Chinese Olympic Committee, accepted from OCA Vice-President Kim Chong-ha the OCA flag and the torch which would be kept under the care of the Beijing municipal government until the Hiroshima Games open.

A 45-minute gargantuan art show involving 10,000 professional and amateur artists began as groups of Asian youths—the Arabs, Iranians, Pakistanis, Japanese, Indians, Koreans, South East Asians, Mongolians and Chinese—danced on the turf covered with white cloth as a huge stage and a 1,600-strong chorus sang "Asia, the Beautiful."

The crowds were thrilled by a dance of 200 lasses dressed in peacock green, 60 pairs of happy boys and girls frolicking among peonies, the traditional symbolic dance of groups of youths galloping on horseback and stunts of flying numerous discs on the tip of bars.

"We want to bring into bold relief the traditional Chinese national glamor as well as the modern mood," said Zhu Zupu, one of the chief designers of the show.

Out of the nightly darkness suddenly flew dragons of fire, coming up and down in sheer abstract lines as bicycles carrying as many as seven flying acrobats hissed past the tartan track amid cheering maids.

"It's fantastic," said a southeastern athlete.

A live giant panda came from the southern tunnel in grand style on a luxury open car while his counterpart Cuccu drove in from the northern gate. They met in front of the rostrum to the gleeful cheers from the stands.

"I'll never forget the night. It's so beautiful," said a veteran olympian.

The huge screen flashed "See You in Hiroshima" amidst the wild cheers from the stands of Asiad athletes and the spectators when the flag of the OCA was lowered, five

salutes of cannon roared, the 16-day-long fire on the culdron died out and a dazzling display of fireworks brightened up the nightly Beijing sky.

Leaders at Closing Listed

OW0810132990 Beijing XINHUA Domestic Service
in Chinese 1318 GMT 7 Oct 90

[Excerpts] Beijing, 7 Oct (XINHUA)—The 11th Asian Games, which marks a new height in the sports movement in Asia, concluded triumphantly in flower-decorated Beijing this evening after setting a number of world records. [passage omitted]

Attending the closing ceremony were party and state leaders including Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Li Ruihuan, Malaysian Supreme Head of State and President of the Asian Hockey Federation His Majesty Sultan Azlan Shah, Comrade Hoang Van Hoan, former Prime Minister of Thailand Mom Rajawongse Khukrit Pramot, high-ranking sports officials from many countries and regions, ambassadors to China from various nations, and notables of Overseas Chinese. [passage omitted]

Also present at the closing ceremony were Li Tieying, Li Ximing, Yang Rudai, Wu Xueqian, Qin Jiwei, Ding Guangen, Bo Yibo, Song Renqiong, Liu Huaqing, Yang Baibing, Wen Jiabao, Wang Ping, Wang Shoudao, Liu Lantao, Li Desheng, Yang Dezhi, Yu Qiuli, Zhang Jinfu, Lu Dingyi, Chen Pixian, Chen Xilian, Hu Qiaomu, Duan Junyi, Geng Biao, Ji Pengfei, Kang Shien, Peng Chong, Ngapoi Ngawang Jigme, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Wang Hanbin, Song Jian, Wang Fang, Zou Jiahua, Ren Jianxin, Wang Renzhong, Hong Xuezhi, Gu Mu, Yang Jingren, Zhou Peiyuan, Wang Guangying, Qu Wu, Ma Wenrui, Wang Enmao, Hu Sheng, Cheng Siyuan, Qian Zhengying, Ismail Amat, and Hou Jingru. [passage omitted]

IOC President Sends Congratulations

OW0710132990 Beijing XINHUA in English
1228 GMT 7 Oct 90

[Text] Beijing, October 7 (XINHUA)—International Olympic Committee (IOC) President Juan Antonio Samaranch wrote letters to Chinese sports leaders, expressing his appreciation on the 11th Asian Games which concluded here Sunday night.

Samaranch and other IOC leaders attended the opening ceremony of the Asian Games on September 22.

In his letter to He Zhenliang, president of the Chinese Olympic Committee, Samaranch said: "It was great pleasure to attend this historical event. I need hardly say that the enthusiastic efforts of all involved shall long be remembered."

IOC Vice President Richard W. Pound and Keba Mbaye also sent their congratulatory letters to He Zhenliang.

Chen Xitong on Games

OW0810203790 Beijing XINHUA in English
1529 GMT 8 Oct 90

[Text] Beijing, October 8 (XINHUA)—With the closing ceremony held Sunday evening, the 11th Asian Games concluded with a great success, said Chen Xitong, president of the Beijing Asian Games Organizing Committee at a press conference here today.

Chen Xitong, also mayor of Beijing, said that the Asian Games had reached its basic purpose of unity, friendship and progress.

The president assured that the Asian Games would enhance the sports in Asia, as well as in the world, and contribute much to peace in Asia and all over the world.

Chen Xitong, on behalf of the organizing committee, also expressed his gratitude to the members of the International Olympic Committee [IOC], the Olympic Council of Asia and friends in Asia and all over the world for their support and help to the Asian Games.

However, there still existed some shortcomings in organizing the games, such as the insufficiency of language service, said the president.

"We would do our best to overcome the shortcomings and make everything ready to apply for the 2000 Olympic Games," added the president.

Wu Zhaozu, minister in charge of the State Physical Culture and Sports Commission, said at the press conference that the success of the Asian Games has promoted our confidence in hosting the Olympic Games.

"We will first submit an application to the Chinese Government and after the approval of the Chinese Government, we will then submit an official application to the International Olympic Committee," added Wu.

He hoped friends at the IOC and the Olympic Council of Asia would help Beijing's bid.

The IOC is to decide which city shall host the 2000 Olympic Games at a meeting in Monaco in 1993.

Commentator Praises Games

HK0810072490 Beijing CHINA DAILY in English
8 Oct 90 p 4

[By CHINA DAILY commentator: "The Asiad Spirit"]

[Text] With singing, dancing, flowers and fireworks, the grand gala held at Beijing Workers' Stadium yesterday evening marked the conclusion of the 16-day 11th Asian Games. This event, attended by about 6,000 athletes from 37 member states and regions of the Olympic Committee of Asia, has been widely acclaimed as the largest and one of the most successful in Asiad history.

During the Games, Asian athletes achieved the best results since the Asiad was launched in New Delhi in

1951 by breaking four world records and rewriting 42 Asian records and 98 Asian Games records.

Athletes from the host nation won 183 gold medals, more than half of all golds at stake.

Meanwhile, athletes from other countries, such as Qatar, Oman and Iran, were also successful winning some of the most-coveted events including the men's 100 metres sprint and men's soccer.

It was encouraging to see that the fine sportsmanship, the unremitting pursuit of the goal of "faster, higher and stronger" and the family-like friendly atmosphere prevailed throughout the Games.

Some athletes put it very well, saying: "The thing that matters is not the medal but participation." It was such a spirit demonstrated by Asian athletes during the past three weeks that guaranteed the success of the Games.

It goes without saying that the success of the Games must also be attributed to the exceptional organization and devotion of millions of people of the host nation.

By hosting its first major international sports event, China has not only made many new friends in Asia, but also demonstrated its ability to mobilize concerted efforts and resources among 1.1 billion Chinese people to achieve a shared goal.

Most participants as well as journalists covering the Games were deeply impressed by the high standard of efficiency and service provided by organizers, staff members and volunteers.

Compatriots from Taiwan, Hong Kong, Macao and other parts of the world also hailed the art performances during the Games as a brilliant display of the great vitality of the traditional culture of China.

It is widely expected that the success of the Games will bring long-term benefits to China's social development and will pave the way for Beijing to host the Olympic Games in the year 2000.

As an enthusiastic member of the Asian family, the Chinese people deem all their achievements in the Games as their contributions to the mother continent. It is, therefore, our belief that the success of the Games will be turned into a moral boost for billions of Asian people, and the Asiad spirit of "Unity, Friendship and Progress" will stimulate them to work harder in building the world's most populous continent into one of the most prosperous and most peaceful lands on the planet in the 21st century.

Taiwan Bid Failure Noted

OW0710113690 Tokyo KYODO in English 0903 GMT
7 Oct 90

[Text] Beijing, Oct. 7 KYODO—The head of the Beijing Asian Games Organizing Committee said Sunday the

11th Asiad successfully achieved its initial goal of "unity, friendship, and progress."

Wu Shaozu, who also serves as the minister of the State Physical Culture and Sports Commission, told KYODO NEWS SERVICE that the competitions themselves were successful.

"Athletes from each nation competed with all their might in a friendly atmosphere.... They have deepened Asian sports exchanges," Wu said.

He said he could not think of any failures.

Asked to comment on the incredibly tight security, Wu said, "We just did what we had to as the host of the games."

"Thanks to the strict security, there weren't any major accidents," he added.

Observers here say the security conditions were so rigid that it was like being under martial law.

People from outside Beijing were banned from entering the Chinese capital during the games.

It was reported, however, that there were multiple "destructive elements" arrested by authorities, some of whom were found carrying bombs near Asiad facilities.

The crash of the hijacked Boeing 737 in southeastern China killing 127 people occurred during the Games. Chinese officials said they were not sure if the incident had anything to do with the Asiad.

Wu said the failure of Taiwan to host the 1998 Asian Games would not affect Beijing-Taipei relations.

"I hope that Taiwan will understand our position.... I believe (Taiwan's) discontent will not affect our relations negatively," he said.

China was against Taipei's bid to host the Games since Taiwan bans the entry of Communist Party members to the island. China said it is against the Olympic Council of Asia (OCA) Charter.

Bangkok won the bid in a ballot conducted on September 27 at the OCA's General Assembly.

Meanwhile, China had earlier announced its bid for the Olympic Games to be held in the year 2000.

"During the games (Beijing Asiad), I felt that we could win support from other nations," Wu said. "But we will have to wait until the aftermath of the Games, and if we consider the Beijing Games an overall success, we will start taking specific steps."

Juan Antonio Samaranch, president of the International Olympic Committee, who attended the opening ceremony of the Games, said Beijing would need a new 80,000-seat stadium and a velodrome to host the Olympics.

Results Summarized

OW0710050490 Beijing XINHUA in English
0211 GMT 7 Oct 90

["Curtain Falls on Record-Laden Asiad (by sports writer Yi Gaochao)"]—XINHUA headline]

[Text] Beijing, October 7 (XINHUA)—The XIth Asian Games, a festival full of festivity, came to a close with the host salting away 183 of the 308 gold medals at stake to go down history though on an asterisk.

The 16-day, 27-sport games attracted a record of 3,558 athletes from 37 of the 38 Olympic Council of Asia member states. Iraq was suspended by OCA from participating in the Beijing Games.

These Asian sporting cream combined to better six world, 89 Asian and 189 meet records.

The Chinese made the most of home advantage to win not only their favorite sports of diving, gymnastics, women's weightlifting but boxing and wrestling as well.

Only in such alien sport of golf and new Asiad additions of sepak takraw and kabaddi, the hosts met the end of their wits and wills.

Twenty-three of the 31 swimming golds went to the Chinese who clocked three world beat times of the year.

Zhuang Yong clocked 55.12 seconds in the opening leg of the women's 4 x 100-meter freestyle relay. Wang Xiaohong plowed home in 58.87 in the women's 100-meter butterfly. Lin Li timed 2:13.16 in the women's 200-meter individual medley.

Also on clock were three world second best and two third best times of the year.

In athletics, 30-year-old woman hurdler Liu Huajin clocked an Asian record of 12.73 seconds in her swan-song race in the 100 meters, rewriting her own mark of 12.89 set at the 1987 nationals.

Liang Xi:eren cleared 5.62 meters to better his own Asian record by one centimeter in the pole vault.

In cycling, Zhou Lingmei dashed off the listed world record for the women's 1-kilometer time trial with a clocking of 1:13.899.

Other brow-lifting feats by the all-encompassing Chinese came when Bai Chongguang won the middleweight boxing title, first ever for China in international rings after the sport was revived five years ago following a 20-year state ban.

Chinese Greco-Roman grapplers wrested the nation's first international gold medals by winning the light heavyweight and heavyweight plus classes.

The razzmatazz of partisan home crowds turned to backlash when they watched and booed the defeats of host table tennis and soccer teams.

The Chinese men's table tennis team went 5-1 down to the Democratic People's Republic of Korea in the semi-finals in the gym where they won their first world team title in 1961.

The Chinese eleven sidelined five of their first stringers to play this year's world cup finalist South Korea in group preliminaries so as to reserve their guts for a weaker Thailand in the quarter-finals, but beaten 1-0.

The on-target South Korean archers, who gunned down three world marks at the previous Asiad in 1986, more than duplicated their feat in Beijing by scoring five world records.

Kim, who holds five world records, shot 345 and then 346 points in the grand fita round quarter-and semi-finals, twice bettering her own world mark of 343.

Kim Sun-bin, Yang Chang-hoon and Park Jae-pyo totalled 1,004 points in the semi-finals before scoring 1,005 out of a possible 1,080 to win the men's grand fita round team event.

Defending Asiad titlist Yang Chang-hoon garnered 1,345 points for another world mark in the men's individual all-round shoot-out.

Records aside, South Korea finished second with 54 gold medals whereas Japan, that had dominated first through eighth Asian Games between 1951 and 1982, was third with 38 golds, followed by DPR Korea on 12.

It was the second time that Japan fell behind South Korea on the medal tally. At the last games, South Korea finished a close second to China, 94-93, whereas Japan was third on 58 golds.

Breaking the stranglehold by China, South Korea and Japan on golds was a 26-athlete qatari squad that dashed out of the shadow of also-rans to capture three gold, two silver and one bronze.

Talal Mansoor retained his men's 100-meter sprint title while Mohd Sulaiman went it double, winning the 1,500 and 5,000 meters.

Qatar's progress and that of China, South Korea, Japan and others can be attributed to hard trainings on the part of athletes and developments of sports science.

Quite a few Asian nations and regions have contracted Westerners to coach their athletes for better performance.

Double gold medalist Sulaiman has been trained by Stobl Stanislav from Czechoslovakia for five months prior to the Beijing Games while the Chinese had swam under the coaching of East German Rudolf Claus.

Intra-continental exchanges also helped.

Women's Marathon winner Zhao Youfeng of China has been trained by Takeuchi Shinya of Japan while the

Chinese have gone to coach the Indonesians and DPR Koreans in badminton, weightlifting and diving.

Injuries and form reversals took tolls of some top athletes.

Japan's javelin thrower Kazuhiro Mizoguchi, who registered an all-time second best of 87.60 meters last year, finished third with a toss of 75.84 while 1986 Asiad multi-gold medalist P.T. Usha of India missed gold from all her four races in Beijing.

She won four gold and two silver at the Seoul Games.

Asian champion decathlete Lee Fu-an from Chinese Taipei failed all three attempts on pole vaulting and had to settle for a medalless fifth.

Lee was Asia's top decathlete at the Seoul Olympics.

Asian record holder Li Tong of China faltered in the heat races and did not toe the line in the finals.

Though China's domination over the quadrennial Asian Games may well remain unchallenged in Hiroshima in 1994 but Barcelona will put the continental powerhouse into global perspective.

Next year's swimming worlds in Perth and athletic worlds in Tokyo will serve as early touchstones to the Chinese, South Koreans, Japanese, Qataris et al, who have made headlines and scorebooks in Beijing.

Asian Games Test Capability To Host Olympics

OW0610230990 Beijing XINHUA in English
1251 GMT 6 Oct 90

[Text] Beijing, October 6 (XINHUA)—The eleventh Asian Games which closes here Sunday, [7 October] posed a severe test on hosts China for its capability of hosting major international sports events, including the Olympic Games in the year 2000 which China have planned to bid.

And reactions seems to have marked the hosting of the 16-day event as a success, which laid a sound foundation for its expected Olympic bid.

Juan Antonio Samaranch, president of the International Olympic Committee, paid a three-day visit September 21-24 to the Chinese capital, for attending the opening ceremony of the 16-day games and some related events.

Samaranch described the opening ceremony as "wonderful and one of the best we have ever seen in our life".

"I was very much impressed when I visited the athletes' village. The organization of the village is wonderful.

"The dining hall is very clean and there's no noise there. That is very important because I remember that many times in the Olympic village, it was very noisy.

"And the food is excellent, of first-class," he said.

After visiting some of the competition venues, Samaranch said he was impressed by the sports facilities built.

"I realize that you did a very great job and made sacrifices in organizing the games."

"I could not but be so excited after watching with my own eyes the grand opening ceremony of the Beijing games," said Dr. Henry Fok from Hong Kong.

"It's especially magnificent that the former 'sickmen of Asia' could now host such a large-scale world-class sports event, which is organized, administrated and run by the Asians ourselves.

Henry Fok had donated more than 100 million Hong Kong dollars, for the construction of the ultra-modern indoor swimming pool in the National Olympic Sports Center (NOSC), in northern Beijing suburbs.

"The organization and administration of the Beijing games are just excellent, and I'm optimistic of a great success for the games," said Salih al-Khusaibi, chef de mission of the Omani delegation, even before the games closed.

"Beijing is just wonderful" said Dr. Chan Te-chi, secretary-general of the Chinese Taipei delegation.

"Our athletes and I are very satisfied with the environment here and the service for us," he added. Chan is also deputy secretary of the Chinese Taipei Olympic Committee.

"We are not here for medals, but the success of the Asian Games," said Al-Thaidi Eid Jr., chef de mission of the Kuwaiti delegation.

"A successful Asian Games would greatly inspire us Asian peoples," he added.

"The games village is just beautiful and well-organized. Everything inside is new, tidy and clean," said Abdurrouf al-Qais, secretary-general of the Lebanese Olympic Committee.

I feel quite at home here in the games village, the Chinese people are just warm and kind to us," said Li Gun-sun, a 23-year-old table tennis player from the Democratic People's Republic of Korea.

He spoke highly of the food, pickles in particular, served at the village dining hall.

"A great games, great people and great country. Job well done," wrote an Indian journalist.

"Both the facilities and the games village are of first-class. Telecommunications and transport have been greatly improved and the interpreters worked pretty hard," commented P. Preeawale, chef de mission of the Sri Lanka delegation.

The speed and quality of the Asian Games projects were excellent, said Lee Yu Lung, chef de mission of the Malaysian delegation. "It's a magic, just fantastic," he added.

He said he was deeply impressed by the great changes taken place in the Chinese capital since the last seven years.

And such modern sports facilities were up to the requirement for hosting any Olympic Games, he said.

Yasutaka Matsudaira, president of the Asian Volleyball Confederation, praised the organization of the games competition, volleyball in particular.

Home-made sports gear and equipment used at the games "withstood a serious test", described a referee from abroad.

Some 70 per cent of the equipment and devices used at the games are manufactured by Chinese factories.

"I think the Asian Games' political progress is far more spectacular than the improvement on the sporting standard," said Huang Shu-wei, vice-president of the International Softball Federation from Taiwan.

"The record-setting participation at the Beijing games is itself a progress. It's an important contribution the Beijing games has made to the unity, friendship and progress of the Asian peoples," he added.

"We feel at home once we enter Building No. 1 of the games village," said Mohamed Abdo Hassan, chef de mission of the Yemeni delegation to the games.

The main press center (MPC), hub of information of the 16-day games, has well impressed the media from home and abroad.

The most helpful is of course the EIS (Electronic Information Service) system.

Developed jointly by the Beijing Polytechnic College and the Beijing Software Development Co., the system is a unique computer network for information storage and retrieval, covering over fifty places such as the Organizing Committee Headquarters, MPC, games village and International Broadcasting Center.

It provided such detailed information as the complete and daily competition results, competition schedule, athletes profiles, medal winners and total, new records, general information, international sports organizations as well as electronic mail service.

"The EIS system is a great help for journalists covering the 11th Asian Games," a Malaysian reporter who simply put his name as "Joe", wrote down a notebook for collecting comments from users.

"With the EIS I can manage to work, type and perform my job efficiently. Besides, I think it is much more

cheaper, easier and faster. Thanks for the service," said "Joe"'s compatriot Utusan Melayu Azman.

"The EIS worked hard to make our stay much more comfortable and easier for us. Without this great help, we would have been hitting in the dark," wrote Indian pressman simply named as "Norris".

"It's not always easy to assess the worthiness of a computer system like your EIS. It's easy to make a comparison, with, say the Asian and Olympic Games computer system used in Seoul, South Korea," said another from the Philippines.

And Bangkok broadcast and television's Nachtaweach Wirach put it his way, "Everything that China make is great."

They were amazed by the volunteers working there.

"Never before did I see so many kind girls and boys gathering to make me, a journalist, feel so happy. I can get any help from them," said a foreign pressman.

"Kind service, enthusiastic approach, swift information and highly-rated technology," were the conclusion by C.K. Chen from Taipei-based newspaper TAIWAN TIMES.

And the arrangement of the competitions of the 29 medal and demonstration sports were also described as appropriate.

"The organization of the fencing events were effective and excellent," commented Carl Schwende from Canada, member of the Executive Committee of the International Fencing Federation (FIE).

"I could say that the organization here could match that at the pan-American championships which I organized," he compared.

He said that the referees invited to officiate here did a good job and the judgement was fair.

Not everyone was satisfied, and complaints were raised as at almost every major international sports event.

Language problem was one of the weak points pinpointed.

"More than once I was in difficulty when somebody I spoke to didn't understand me," complained Pakistani journalist. "You have to prepare at least 10,000 interpreters if you are to stage Olympic Games he suggested.

The EIS system worked with high efficiency, but journalists could still complain of waiting since no computer terminal may temporarily be available at the "peak hours", when competitions finish for some events or when journalists gather in the main press center's common working hall.

Transportation for both athletes and media was appreciated but some of the officials complained of the arrangement of vehicles assigned to their use.

And, if not the last, a lack of tickets for the opening and closing ceremonies, which posed as a major headache for the organizers, media and sports fans.

The Beijing workers' stadium has only 78,000 seats while the organizers have to cope with tickets demands times of the figure.

IOC President Samaranch has advised a larger stadium to be built in Beijing if China is to formerly raise an Olympic bid.

The sports authorities in Beijing has already reserved, before the Asian Games started, a piece of land just by the NOSC, for building more facilities for Olympic use.

United States & Canada

Columnists' Accusation on Iraqi Sanctions Denied

HK0610033890 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 6 Oct 90 p 4

[Report by reporter Zhang Liang (1728 0081): "Press Attache of the Chinese Embassy in the United States Refutes Accusation by Certain American Columnists That China Violated UN Resolutions on Imposing Sanctions Against Iraq"]

[Text] Washington, 3 Oct—Yesterday, the U.S. WASHINGTON POST published in its "Letters From Readers" column a letter written by Chen Defu, press attache of the Chinese Embassy in the United States. The letter pointed out that the accusation by Roland Evans and Robert Novak, both of whom are columnists with the paper, that China violated the UN resolution on imposing sanctions against Iraq is "a sheer rumor which is utterly groundless."

In their article published in THE WASHINGTON POST on 21 September, Roland Evans and Robert Novak invented this story: "Beijing is currently considering a secret trade deal (with Iraq) in order to be granted preferential oil treatment after the Gulf crisis is over... China is currently bargaining with Baghdad."

In his letter, Attache Chen Defu pointed out that China has adopted a firm and clear-cut stand in opposing the Iraqi invasion and annexation of Kuwait. China has demanded that Iraq immediately and unconditionally withdraw all its troops from Kuwait, called for restoring to Kuwait its sovereignty, independence, and territorial integrity, and demanded that all foreign nationals stranded in Iraq and Kuwait be allowed to return safely to their own countries.

Attache Chen Defu said that as a permanent member of the UN Security Council, China voted for UN Resolution 660 and six other resolutions condemning the Iraqi

invasion and annexation of Kuwait. China has strictly observed all those resolutions.

Attache Chen Defu also pointed out that since Iraq invaded Kuwait, China has stopped selling military equipment to Iraq.

Attache Chen Defu finally said that all these have proved that China has seriously and conscientiously played its role as a permanent member of the Security Council and has seriously and conscientiously performed its duties in accordance with the UN Charter of safeguarding world peace, safety, and justice. China has made important contributions to the joint international reaction of opposing the Iraqi invasion and annexation of Kuwait.

Li Peng Meets Boeing Aircraft Company Chairman

OW0610153590 Beijing XINHUA in English
1233 GMT 6 Oct 90

[Text] Beijing, October 6 (XINHUA)—Chinese Premier Li Peng expressed the hope here today that Chinese and American civil aviation companies and aircraft manufacturers further strengthen their cooperation.

At a meeting with F.A. Shrontz, chairman of the Boeing Company, Li described Boeing Company as the biggest partner of the Civil Aviation Administration of China (CAAC).

"Your cooperation with the CAAC did not stop but has developed continuously even at the time of temporary difficulties suffered by Sino-American relations," Li told the visitor.

Briefing Shrontz on the broad lines of a ten-year plan for the development of China's aircraft industry, Li asked him to have wide-range discussions with his Chinese counterpart on cooperation while in Beijing.

Shrontz, who arrived at noon today, said that Boeing Company's cooperation with China is on a long-term and mutual beneficial basis.

He said that the aim of his visit is to exchange views with Chinese officials on expanding cooperation. His company will produce a workable and highly beneficial cooperation program.

He also expressed satisfaction at the work efficiency of Chinese aircraft manufacturers and the quality of their products.

Present at the meeting were Zou Jiahua, Chinese state councillor, and Hu Yizpou, director general of CAAC.

U.S. Survey Reveals Economic Reform Results

OW0810085790 Beijing XINHUA in English
0726 GMT 8 Oct 90

[Text] Beijing, October 8 (XINHUA)—A joint survey conducted by Chinese and American researchers shows that China's economic reform in the past decade has

greatly boosted the country's industrial productivity, which had been sluggish since the early 1950s.

The survey, conducted by scholars from the Institute of Quantitative and Technical Economics under the Chinese Academy of Social Sciences and Pittsburgh University in the United States, shows that the growth rate of China's industrial productivity in the 1980s was 3.1 percent, compared with almost zero 40 years ago. Experts explained that the development of China's industry before the economic reform began ten years ago was achieved through low production efficiency and at the cost of low living standards.

According to the survey, industrial productivity accelerated after 1984—from 2.6 percent in the early 1980s to 3.9 by the late 1980s.

A comparative study of state-owned and collective-owned enterprises shows that the latter has outpaced the former in the past decade. The growth rate of collective industry was always two or three percent higher than that of state-owned industry in the 1980s.

Experts attributed the rapid growth of collective industry to the introduction of the market economy into China's uniform planned economy in the late 1970s.

The survey also show that the growth rate of productivity with regard to raw materials and energy doubled in the mid-1980s and this led to the growth in total production. This confirms that the price reform and the changes in the prices of raw materials in the past few years have had a positive impact on the enhancement of productivity.

Experts said that the growth in productivity has also been achieved through the improvement of operations and management, the upgrading of technology and the rational allocation of resources. However, the over-heated growth of China's economy should be accounted a problem, they added.

The economists who initiated the survey two years ago and will end their work by 1992 said that during the present period of economic retrenchment the growth of productivity will be slower, although this will not affect the general trend of industrial growth.

'Roundup' Views Income Gap In U.S.

HK0910074390 Beijing RENMIN RIBAO in Chinese
27 Sep 90 p 6

["Roundup" by Central People's Broadcasting Station: "Gap Between Rich and Poor Further Widens in United States"—first paragraph is RENMIN RIBAO introduction]

[Text] The roundup "The Gap Between Rich and Poor Further Widens in United States" broadcast by the Central People's Broadcasting Station on 19 September has stimulated the interest of a large audience. In compliance with their request, the article is published as follows.

In the 1980's, the gap between the rich and the poor in the United States continued to widen. According to a recent forecast by the U.S. Budget and Policy Priority Projects Research Center, in 1990 the after-tax income of the richest one percent of the U.S. population will account for 12.6 percent of the total after-tax income in the United States, while the after-tax income of the poorest 40 percent population will account for only 14.2 percent of the total after-tax income. This implies that the income of the richest one percent is approximately equivalent to that of the poorest 40 percent, whereas in 1980, the income of the richest one percent was equivalent to half of that of the poorest 40 percent. That is to say, in the 1980's, the gap between the rich and the poor in the United States doubled.

The economic strength of the United States has relatively been declining. But at present, the United States is still the foremost economic power in the world. According to figures supplied by the U.S. FORTUNE magazine, the U.S. gross domestic product of 1989 and the per capita gross domestic product of 1987 all ranked first in the world. The question is that wealth is more and more concentrated in the hands of a minority of rich people.

According to statistics of the U.S. National Affairs General Research Bureau, in 1988 the wealthiest families, comprising 20 percent of the total number of families in the United States, acquired 44 percent of the total national income, a rise of 2.5 percent over what it was 10 years ago. According to data supplied by (Michel), an economist of the U.S. Economic Policy Research Center, the richest 10 percent of the U.S. population is in control of 86 percent of the financial assets, 57 percent of the net assets, and 33 percent of the national income in the United States.

On the other side of the rich are the tens of thousands of those in the low-income bracket and the homeless.

Because of low income, many Americans live below the poverty line. According to statistics, the proportion of the income of those in the lowest income bracket, who account for 20 percent of the U.S. population, in the total U.S. national income dropped from 5.2 percent 10 years ago to 4.6 percent last year. In 1989, 35 million-odd people lived below the officially stipulated poverty line, accounting for over 14 percent of the U.S. population. As pointed out in a study by the U.S. Columbia University, in 1987, 5 million children under six years of age lived below the poverty line, making up 25 percent of the total number of children in the same age group, while 45 percent of black children lived in poverty.

Due to low income and expensive rent, many Americans are homeless. According to statistics of the U.S. National Homeless Assistance Conference, at present, about 3 million people in the United States are homeless. In his report to the Congress on 6 February, President Bush admitted that the problem of the homeless has become a "serious issue" in U.S. society.

There is an increasing number of young people without the economic means to go to school. Some children are forced to go to factories as child laborers. New York is called the showcase of capitalist civilization. According to a report of the British ECONOMIST magazine, in some districts in New York, 70 percent of the children cannot be promoted to high school. Of the child laborers in some factories and shops in New York, the youngest are only eight years old. According to information disclosed by some social groups in the United States, the number of cases of exploiting child laborers in the last 10 years has increased by five times in the United States.

Some economists in the United States are of the opinion that the economic policies of the U.S. Government have exerted a direct impact on the widening gap between the rich and the poor in the United States. Since the early 1980's, the U.S. Government has implemented a policy of tax reduction, its direct beneficiary being the rich in the main. The United States has greatly cut down on social welfare, causing a decrease in the disposable income of the lowest-income families. According to U.S. official announcements, in the past 10 years, the actual income of ordinary workers in the United States has decreased by 6.7 percent.

Some economists take the view that the trend of the widening gap between the rich and the poor will continuously develop in the United States.

Northeast Asia

Song Ping To Attend DPRK Party Celebrations

OW0510131390 Beijing XINHUA in English
1244 GMT 5 Oct 90

[Text] Beijing, October 5 (XINHUA)—Song Ping, Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), left here by train for the Democratic People's Republic of Korea this afternoon.

Invited by the Central Committee of the Workers Party of Korea (WPK), Song is on a friendship visit and will attend activities marking the 45th founding anniversary of WPK. Song was seen off at the railway station by Li Tieying, member of the Political Bureau of the CPC Central Committee, and other party officials.

Accompanying Song on the visit were Wang Weicheng, member of the party's Central Discipline Inspection Commission, and Pu Chaozhu, member of the CPC Central Committee and secretary of the Yunnan provincial party committee.

Pae Yong-chae, charge d'affaires ad interim of the Korean Embassy in Beijing, was also at the railway station to see the Chinese delegation off.

Arrives in Pyongyang

*OW0610131890 Beijing XINHUA in English
1253 GMT 6 Oct 90*

[Text] Pyongyang, October 6 (XINHUA)—Song Ping, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), arrived here by train this afternoon.

Song was invited by the Central Committee of the Workers' Party of Korea (WPK) for paying a friendship visit to Korea and participating in activities marking the WPK's 45th founding anniversary.

He was greeted at the Pyongyang Railway Station by Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the Central Committee, and Kim Yong-sun, secretary of the WPK Central Committee.

Over 1,000 young girls greeted Song and his entourage with bouquets and Korean and Chinese national flags at the railway station.

Chinese Ambassador to Korea Zheng Yi and Korean Ambassador to China Chu Chang-chun were also present at the railway station.

Meets With Kim Il-song

*OW0710224890 Beijing XINHUA Domestic Service
in Chinese 1350 GMT 7 Oct 90*

[Text] Pyongyang, October 7 (XINHUA)—Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea (WPK), met here today with Song Ping, Politburo member of the Communist Party of China (CPC).

Song, member of Standing Committee of the Political Bureau of the CPC Central Committee, arrived here on Saturday afternoon to pay a visit to Korea and participate in activities marking the WPK's 45th founding anniversary.

The WPK chief warmly welcomed his Chinese guest. Kim briefed Song on the recent talks held here between the WPK and Japan's ruling Liberal Democratic Party and the Socialist Party of Japan as well as the joint declaration issued by the three parties. Kim said consultations on the normalization of diplomatic ties between his country and Japan are to be held in November.

Song said the Chinese Communist Party is pleased that the relations between the Democratic People's Republic of Korea and Japan are to be improved.

Those present at the meeting were Kye Ung-tae, member of the Political Bureau of the Central Committee of the WPK and secretary of the Central Committee; Kim Ki-son, secretary of the WPK Central Committee; and Chinese ambassador to DPRK Zheng Yi.

Today, Kim Il-song also met with a delegation of the Chinese Communist Youth League led by Liu Yandong, secretary of the league's Central Committee.

Briefed on DPRK-Japan Ties

*BK0710145490 Hong Kong AFP in English 1429 GMT
7 Oct 90*

[Text] Beijing, Oct 7 (AFP)—North Korean Leader Kim Il-song briefed a Chinese leader in Pyongyang on Sunday on his country's moves towards establishing diplomatic relations with Japan.

He told Song Ping, a member of the Chinese Communist Party's Politburo Standing Committee, that "consultations on the normalization of diplomatic ties" between North Korea and Japan would be held in November.

In a joint declaration signed last month, Japanese legislators and North Korea's hardline communist regime urged that such talks begin next month, and press reports Sunday in Tokyo indicated Beijing might be the venue.

In a dispatch from Pyongyang, the NEW CHINA NEWS AGENCY gave no specific time and place for the talks.

But it said that Mr. Song, who arrived Saturday in Pyongyang by train, was "warmly welcomed" by Mr. Kim, despite signs that China is soon to exchange trade offices with South Korea.

It also quoted Mr. Song as saying that the Chinese Communist Party was "pleased" with the diplomatic thaw between Japan and North Korea.

Japanese diplomatic sources in Beijing have said that Mr. Kim made a secret visit to Shenyang, northeast China, last month where he met high-ranking Chinese officials including Communist Party General Secretary Jiang Zemin.

Li Peng Meets Japanese Delegation in Beijing

*OW0710150490 Beijing XINHUA Domestic Service
in Chinese 1138 GMT 7 Oct 90*

[Text] Beijing, October 7 (XINHUA)—Chinese Premier Li Peng met with a Japanese delegation led by Soshi Sen, vice-president of the Urasenke Tea Ceremony School of Japan and his wife Masako Sen here this afternoon.

Soshi Sen is a direct descendent of the school's founder and Masako Sen is a princess of the Japanese imperial household.

Li Peng extended a warm welcome to the Japanese guests on behalf of the Chinese Government and people. He said he hoped that the visit of the delegation would promote the friendship between the Chinese and Japanese peoples.

"We have come precisely for the promotion of the cultural exchange and friendship between the two peoples," Soshi Sen replied.

During the meeting, Soshi Sen presented the Chinese premier and other Chinese hosts with the tea he prepared on the spot. Li Peng appreciated the taste of the tea very much.

Zhu Lin, wife of Premier Li Peng; Han Xu, president of the Association for Friendship with Foreign Countries; and Sun Pinghua, president of the China-Japan Friendship Association, were present at the meeting.

Southeast Asia & Pacific

Li Peng Meets Indonesian Minister of State

OW0510152890 Beijing XINHUA in English
1503 GMT 5 Oct 90

[Text] Beijing, October 5 (XINHUA)—Chinese Premier Li Peng met with Moerdiono, Indonesian minister of state and chairman of the Indonesian Lawn Tennis Association, and his party here this evening.

According to Foreign Ministry sources here, Li welcomed Moerdiono to the 11th Asian Games and congratulated him on the Indonesian team's winning of the mixed tennis doubles championship today.

Moerdiono congratulated Li on China's success in hosting the Asian Games and on the Chinese sportsmen's achievements at the games.

During the meeting, Li said that he is looking forward to Indonesian President Suharto's forthcoming visit to China, which Li said he believed will serve to promote Sino-Indonesian friendly relations.

Moerdiono said that Indonesia appreciates China's efforts and role in seeking a political solution to the Cambodia issue and that he believed Indonesia and China would continue to join hands in maintaining regional stability and peace.

The Indonesian minister arrived here yesterday as guest of Chinese Foreign Minister Qian Qichen.

Editorial Hails Sino-Singaporean Ties

HK0510133890 Beijing RENMIN RIBAO in Chinese
4 Oct 90 p 1

[Editorial: "Relations Between China and Singapore Enter New Stage—Hailing Establishment of Diplomatic Relations Between China and Singapore"]

[Text] On 3 October 1990, Chinese and Singaporean foreign ministers signed a communique announcing the establishment of formal diplomatic ties between the two countries from that date. This is a big event marking a new phase in the history of the bilateral relationship.

The move complied with the common wishes of both peoples and toward which the governments and leaders of the two countries had made active efforts. During the last few years, the Singaporean Government and Prime

Minister Lee Kuan Yew indicated on many occasions that when China and Indonesia resume diplomatic ties, Singapore would establish diplomatic ties with China. On 8 August this year, China and Indonesia resumed diplomatic ties. Following a visit to Indonesia, Premier Li Peng made a formal and friendly visit to Singapore, exchanging views with Prime Minister Lee Kuan Yew and other leaders on the establishment of diplomatic relations. The two parties agreed to complete negotiations as soon as possible for the establishment of diplomatic ties. According to the spirit of this principle, the two countries reached an agreement in Beijing on 15 September. Since voting for the restoration of China's legal seat in the United Nations in 1971, Singapore has pursued a one-China policy insisting that Taiwan is a part of China. We appreciate this stand. Now that the Government of the Republic of Singapore has established diplomatic relations with the Government of the People's Republic of China, with common efforts the relationship will definitely develop more comprehensively in the future.

China and Singapore are friendly neighbors. Before establishing diplomatic ties, the two countries had maintained close ties and frequent contacts over a long period of time. The two countries held comprehensive and identical views on many major international issues. Wide-ranging contacts and cooperation in the economic, trade, scientific and technological, and cultural fields have been conducted. The Chinese Government appreciates Singapore's great achievements—which have attracted worldwide attention—in developing the national economy and raising the people's living standards under the leadership of Lee Kuan Yew. During the 10-year reform period, the Singaporean Government adequately affirmed China's achievements and contends that it is now playing an increasingly important role in the world. After establishing diplomatic relations, the existing traditional friendship and friendly cooperation between the two countries will certainly open a new chapter.

With the establishment of diplomatic relations between China and Singapore, China's relationship with ASEAN will be further promoted. China has established ties with five of the six member states of ASEAN. This is of great significance to maintaining peace and stability in Asia and intensifying economic cooperation in the region. China has consistently pursued an independent foreign policy of peace and resolutely opposes interference in internal affairs by other countries. We advocate developing friendly relations with other countries on the basis of the five principles of peaceful coexistence and attach importance to developing friendly and cooperative relations with ASEAN countries, including Singapore. This is the firm policy of the Chinese Government. We respect and support the ASEAN position to build a peaceful, free, and neutral Southeast Asia; and a nuclear-free zone, and the efforts to strengthen economic cooperation and set up a new international economic order. Regarding the Cambodian problem, we attach great

importance to active efforts made by Singapore and other ASEAN countries and are willing to continue friendly cooperation and close consultations to promote a comprehensive, fair, and reasonable solution to the issue. China and ASEAN countries have a large population and are rich in natural resources, so they can be mutually complementary to each other economically. This has great potential in many fields. We regard economic relations and trade with ASEAN countries as an essential component of South-South cooperation.

China and ASEAN countries have different social systems, but this should not prevent the two sides developing relations. We believe that the establishment of Sino-Singaporean diplomatic relations will certainly open a broader prospect for the traditional friendship and comprehensive cooperation between China and ASEAN countries.

Outcome of Mindanao Rebellion Analyzed

OW0810191390 Beijing XINHUA in English
1321 GMT 8 Oct 90

["News Analysis: Unpopular Pocket Rebellion by Wang Jinhe"—XINHUA headline]

[Text] Manila, Oct 8 (XINHUA)—The surrender of renegade Army Colonel Alexander Noble and the capture of his confederate separatist Reuben Kanoy last Saturday morning marked a dramatic ending of the two-day pocket rebellion they staged in two cities in northern Mindanao early on the morning of October 4.

People from all walks of life of the Philippine society hail this as a victory in defending the country's Constitution.

In staging the rebellion, Noble had an ax to grind—establishing the so-called independent "Federal Republic of Mindanao" with himself being No. 1 of a junta—though he alleged that the rebellion was "not a coup but a demonstration of protest against the government in Manila, which is no longer responsive to the needs of the people in Mindanao."

He thought he could easily do so by mustering local separatists and those "out of favor" Army officers and men.

But authoritative sources here say that Noble's dream of independence would not get any support from the people who abhor violence and adventurism and long for stability for the sake of the country's economy and people's life.

Leading officials of all the 22 provinces in Mindanao opposed Noble's separatism the moment they learned about his ambition.

An official who spoke on condition of anonymity said that "it seems to me that the Aquino administration is doing its best for the sake of the people, though the government is not so ideal."

A severe drought in crop areas early this year was followed by the July killer earthquake and then the Gulf crisis in two weeks, and this meant a big blow to the Philippines—about 1.6 billion U.S. dollars of loss, an aggravated employment problem, shortage of oil supply and price increases of petroleum products, etc.

To relieve the nation from these difficulties, Foreign Affairs Secretary Raul Manglapus made a trip to Gulf countries, getting more oil supply, and Finance Secretary Jesus Estanislao flew to Washington, trying to get more loans from the World Bank.

President Aquino has ordered a strict control on the prices of nine daily necessities, including cereals, cooking oil, eggs and meat. More allowances have been issued and wages of workers increased, though not much.

The mini-rebellion also illustrated that Noble has lost his favor with inner Army opposition officers and men. Few of the fence-sitters and "out-of-favor" officers and men joined him and many of them even cheered the victory of crushing the rebellion.

Typical was Nur Misuari, chairman of the Moro National Liberation Front—an armed anti-government Muslim group fighting for self-rule in the past two decades—who turned down Noble's offer as a member of a 15-man junta of the so-called "Federal Republic of Mindanao."

However, analysts say that the Nobles will not be reconciled to their defeat and will restudy their tactics. "Though the mini-rebellion is over, instability will linger on," they said.

Li Ruihuan Meets Thai Journalists' Association

OW0610114390 Beijing XINHUA in English
1121 GMT 6 Oct 90

[Text] Beijing, October 6 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here this evening with Norratat Tangpakorn, chairman of the Chinese Journalists Welfare Association of Thailand.

Present at the meeting was Shao Huaze, editor of the PEOPLE'S DAILY, which is hosting the Thai visitors.

NPC Vice Chairman Meets Thai Delegation

OW0610081790 Beijing XINHUA in English
0727 GMT 6 Oct 90

[Text] Beijing, October 6 (XINHUA)—Ye Fei, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met with and gave a luncheon for a delegation from the Social Welfare and Sports Committee of the House of Representatives of Thailand led by its vice-chairman, Prachum Rattanaphian, here today.

The delegation has been here to participate in the 11th Asian Games activities.

Australia To Assist Agricultural Projects

HK0910023790 Beijing CHINA DAILY in English
9 Oct 90 p 2

[By staff reporter Wu Yunhe]

[Text] An Australian delegation is in Beijing to explore the possibilities of providing the latest agro-techniques for World Bank-funded agricultural projects in China.

The seven-member delegation will hold several seminars in Beijing, and Sichuan, Hubei, Henan and Jiangxi Provinces over the next fortnight.

Negotiations will be held with their Chinese counterparts on the establishment of long-term co-operative projects in agriculture, said Dulfer Hyams, minister of the commercial division of the Australian Embassy in Beijing.

Hyams told a seminar in Beijing yesterday that Australia can supply China with the latest agro-technology suitable for future World Bank projects here.

The delegation is composed of five leading international agricultural firms in Australia, including Hassal and Associates Pty Ltd, ACIL Australia Pty Ltd and ABB-Sprout-Bauer.

"We plan to focus our co-operative intentions on animal husbandry and forestry, which has a long history of Sino-Australian co-operation," said Allan Pankhurst, head of the delegation.

Australia already has dozens of on-going agricultural projects in China, the major one being a pasture land development project in the loess plateau of Gansu Province, which is expected to become operational next year after six years of construction.

Another one is a milk project in Shanghai, for which construction will begin before the end of the year.

Near East & South Asia

Iranian Defense Minister Arrives in Beijing

LD0810140190 Tehran IRNA in English 1105 GMT
8 Oct 90

[Text] Beijing, Oct. 8 IRNA—Iranian Minister of Defense and the Armed Forces Logistic Akbar Torkan heading a high ranking military delegation arrived here Monday on an official visit at the invitation of his Chinese counterpart.

Torkan and his entourage were greeted at Beijing Airport by the Chinese deputy chief of staff and the Iranian charge d'affaires, as well as foreign military attaches to the People's Republic of China.

The Iranian minister is scheduled to hold talks with ranking Chinese military and political officials during his stay here.

Meets Qin Jiwei

OW0810120390 Beijing XINHUA in English
1134 GMT 8 Oct 90

[Text] Beijing, October 8 (XINHUA)—Gen. Qin Jiwei, state councillor and minister of national defense, met and feted here today Lt. Gen. A. Torkan, minister of defense and the support of the Armed Forces of Iran, and his party.

Torkan is the first Irani minister of defense and the support of the armed forces visiting China since the establishment of diplomatic relations between China and Iran August 1971.

Torkan and his party arrived here yesterday on a visit to China as Qin's guests.

In the afternoon, Qin hosted a welcome ceremony for Torkan and his party.

Yang Fuchang, PLO Envoy View Gulf Crisis

OW0810154890 Beijing XINHUA in English
1442 GMT 8 Oct 90

[Text] Beijing, October 8 (XINHUA) Chinese Vice-Foreign Minister Yang Fuchang held talks today with 'Abdallah Hurani, special envoy of Yasir 'Arafat, president of the state of Palestine.

Hurani, member of the Executive Committee of the Palestine Liberation Organization (PLO), arrived here this morning for a working visit to China.

He informed Yang of the PLO view of the current Gulf situation and of the organization's efforts to help negotiate a peaceful settlement to the crisis.

Reiterating the Chinese Government's principled position on the Gulf crisis, Yang said that "it is our consistent view that relations between countries should be based on the five principles of the peaceful coexistence and the norms governing international relations."

"China opposes any attempt by a big and strong nation to bully a smaller and weaker one," Yang continued. "Therefore, China opposes Iraq's annexation of Kuwait and demands that Iraq withdraw its troops from Kuwait unconditionally."

"Kuwait's independence, sovereignty and territorial integrity should be restored," he said.

"We call for a peaceful settlement of the Gulf crisis on the basis of the related resolutions of the United Nations Security Council," he said.

"We oppose resorting to arms in the crisis and we are not willing to see war in the Gulf region," he added.

Yang also restated China's consistent stand supporting the just Palestinian cause.

In the evening, Yang hosted a dinner for Hurani.

West Europe

Common Market Reportedly To Lift Sanctions

HK0910070390 Hong Kong TA KUNG PAO in Chinese
9 Oct 90 p 2

["Political talk" column by Shih Chun-yu (2457 0689 3768): "The Common Market Lifts 'Sanctions' Against China"]

[Text] The Foreign Ministerial Meeting Reached an Agreement

A basic agreement was reached at the provisional EEC foreign ministerial meeting held in Venice, Italy to lift the economic sanctions imposed by the Common Market against China after the 4 June incident and to normalize EEC-China relations. But this decision has yet to be formally approved by the EEC Council of Ministers to be held on 22 October.

In other words, EEC economic sanctions against China will be lifted after enforcement for over a year. This suggests international confirmation of China's domestic and foreign policies for the past year.

"Sanctions" Have Become a Mere Form

According to the EEC foreign ministerial meeting, the reason for lifting economic sanctions against China is that China has taken a correct stand on Iraq's invasion of Kuwait, coordinates well with the international community on this issue, and abides by the UN decision on imposing an arms embargo against Iraq.

Apart from this, Japan has also lifted its economic sanctions against China and some EEC member nations either have lifted their economic sanctions or intend to do so. Thus, "sanctions" have become a mere form.

The above two points are facts. As a matter of fact, China has always pursued the five principles of peaceful coexistence between countries, and unquestionably it condemned the Iraqi invasion of Kuwait. It does not have a bias toward Iraq because of their friendly relations or because Iraq is a Third World country. Being a permanent member of the UN Security Council, China has, since its admission to the United Nations, performed its duties and made efforts to bring into play the role of the United Nations in mediating regional conflicts and preserving world peace. China's performances have been well-received by most countries; therefore, the EEC felt the need to lift its sanctions against China.

The World Acclaims China's Persistence in Opening Up

As a matter of fact there are still two points that the EEC foreign ministerial meeting did not explain. The first one is China's persistence in reform and opening up, which is very important to Western countries' foreign trade and exports. Since the 4 June incident China has taken a bigger step and remained firmer in opening up to the world. Essentially speaking, the Pudong area of Shanghai and the Yangpu area of Hainan enjoy better environments than the Shenzhen Special Economic Zone in some respects. Foreign businessmen who came to these areas for investigation could not deny the fact that China's open policy has remained unchanged.

In addition to the new Pudong area, a plan is being worked out for the development of the Changjiang delta focusing on Shanghai, Ningbo, and Hangzhou, linking the three provinces of Jiangsu, Zhejiang, and Anhui.

Sanctions Against China Have Also Harmed EEC Countries Themselves

The second point is that "sanctions" against China have also harmed EEC countries themselves. After Japan lifted its sanctions against China, Europe was worried that Japan would be ahead of it in scrambling for markets.

After the Asian Games, China will concentrate on economic development, which necessitates the continuation of opening up to the world. This is a state policy.

The Seventh Plenary Session of the 13th CPC Central Committee will be held in November, at which the Eighth Five-Year Plan will be formulated covering 10-year economic development. Apart from the Middle East situation, the world is focusing its attention on Beijing. Although there is all sorts of speculation, we should not underestimate China's ability to traverse its own road, after witnessing its achievements in domestic and foreign policies over the past year, particularly its successes in carrying out the open policy, in controlling inflation and price hikes, and in sponsoring the Asian Games.

German President, Dalai Lama Meeting Denounced

AU0510163990 Munich SUEDEDEUTSCHE ZEITUNG
in German 4 Oct 90 p 15

[Unattributed report: "Weizsaecker Meets Dalai Lama; Sharp Protest of Beijing Government"]

[Text] Beijing—The meeting between FRG President Richard von Weizsaecker and the Dalai Lama in Berlin, which was planned for today, Thursday, resulted in a sharp protest which was accompanied by threats. The diplomatic conflict also overshadowed the first political meetings during which Chinese politicians in Beijing conveyed official congratulations on the reestablishment of German unity on Wednesday [3 October]. When Ambassador Hannspeter Hellbeck presented a letter from the chancellor in the Zhongnanhai government seat

in the afternoon, he was not received by Premier Li Peng, as planned, but by Vice Premier Wu Xueqian.

Diplomatic circles described the form and contents of the oral protest, for the reception of which Ambassador Hellbeck was called at short notice to the Chinese Foreign Ministry on Tuesday afternoon [2 October], as unusual and inappropriate in relations between states that are on friendly terms with each other. Jiang Enzhu, director of the West European Affairs Department, delivered an ultimatum for the cancellation of the meeting between the federal president and the Dalai Lama by Wednesday morning and reportedly threatened that otherwise appropriate measures would be taken by the Chinese side. According to the directive from the Bonn Foreign Ministry, this request was rejected together with the brusque protest. The demonstrative Chinese reaction followed immediately. Wang Hanbin, vice chairman of the National People's Congress, who was expected as the highest-ranking guest according to the protocol at the reception on the day of unity, declined the invitation at short notice and left the official representation to Energy Minister Huang Yicheng and Vice Foreign Minister Tian Zengpei.

Reportedly, State Secretary Jiang reproached the federal president for his intention to receive the Dalai Lama, a politician who fights for Tibet's independence and its secession from the PRC. Although the meeting in Berlin is seen as a private meeting, as stressed by Ambassador Hellbeck in his answer, and Weizsaecker will not receive the Dalai Lama as a political exile, but exclusively as a religious leader, the fact that no other head of a major West European state received the sharpest critic of China's Tibet policy before the president counts above all for the Beijing government.

Foreign Ministry Protests

OW0610092490 Beijing XINHUA in English
0909 GMT 6 Oct 90

[Text] Beijing, October 6 (XINHUA)—The Chinese Foreign Ministry today summoned German Ambassador to China Hannspeter Hellbeck concerning German President Richard Weizsacker's meeting with the Dalai Lama in Berlin on Thursday.

The chief of West Europe Division of the Foreign Ministry said that Tibet is an integral part of Chinese territory and that the Tibetan issue is sheer China's internal affairs. He stressed that no foreign governments, organizations or individuals have the right to interfere in it.

The meeting showed that the German Government openly supports the Dalai Lama's political activities designed to preach independence of Tibet, to split his motherland and to damage national unity, and that it rudely interfered in China's internal affairs, he said.

For this reason he was authorized to lodge a protest to the German Government against the move, the chief said.

He also said that the German president's move has severely hurt the Chinese people's feelings, run counter to the position the German Government has always declared that Tibet is part of Chinese territory. The move has departed from the international principle of non-interference in each other's internal affairs and caused damage to the Sino-German relations which are being improved, he added.

The West Europe Division chief called on the German Government to set the whole situation concerning Sino-German relations above everything else, to adopt a prudent attitude towards China's stand over the matter and to take practical measures to guarantee against future occurrence of similar moves that hurt the Chinese people's feelings and harm relations between the two countries.

Reportage on Zhu Liang's Visit to Italy

WA0510154390

For reportage on the visit by Communist Party Foreign Affairs Chief Zhu Liang to Italy, including reports on his talks with Prime Minister Giulio Andreotti regarding the Gulf crisis, German unification, and bilateral relations, please see the ITALY section of the 5 October West Europe DAILY REPORT and subsequent issues.

Latin America & Caribbean

PRC Economic Delegation Visits Nicaragua

OW0710194190 Beijing XINHUA Domestic Service
in Chinese 0153 GMT 7 Oct 90

[Text] Managua, 5 Oct (XINHUA)—Nicaraguan President Mrs. Chamorro met with a Chinese Government economic delegation led by Liu Yan, assistant minister of the Ministry of Foreign Economic Relations and Trade, at the presidential house on 5 October.

During the meeting Mrs. Chamorro indicated that Nicaragua is ready to strengthen friendship and cooperation with China. She also indicated that she would like very much to visit China.

The Chinese economic delegation arrived in Nicaragua for a visit on 4 October. On 5 October Delegation Head Liu Yan and Nicaraguan Vice Foreign Minister (Peterlouse) signed an agreement under which China would extend a loan to Nicaragua.

Loan Agreement Signed

OW0810201890 Beijing XINHUA in English
1632 GMT 8 Oct 90

[Text] Managua, Oct 8 (XINHUA)—After a three-day visit to Nicaragua, an official Chinese economic delegation headed by Liu Yan, assistant minister of Foreign Economic Relations and Trade, departed Sunday night on its way to Suriname to continue its tour of several Latin American and European countries.

The delegation arrived in Managua October 4 from Barbados, and was received by Nicaraguan President Violeta Barrios de Chamorro at presidential headquarters.

During the visit, Liu Yan and his team met and exchanged points of view often with Nicaraguan officials on bilateral trade and economic relations between their two countries.

As a result of the visit, the head of the Chinese delegation and Nicaragua's Deputy Foreign Minister, Roel Vidaurre, signed an agreement on October 5 in which China has agreed to grant Nicaragua an interest free loan of 30 million yuan, or about 6.4 million dollars.

The Chinese delegation also donated food, medicine and tools worth one million dollars to the victims of recent floods on Nicaragua's Atlantic coast.

Yao Guang Leds NPC Delegation to Uruguay

OW0710074590 Beijing XINHUA in English
0720 GMT 7 Oct 90

[Text] Beijing, October 7 (XINHUA)—A delegation of China's National People's Congress (NPC) led by Yao Guang, member of the NPC Standing Committee and vice-chairman of the NPC Foreign Affairs Committee, left here for Uruguay today to attend the 84th Assembly of the Inter-Parliamentary Union.

Delegation Attends Uruguayan Party Congress

OW0610183390 Beijing XINHUA in English
1649 GMT 6 Oct 90

[Text] Montevideo, October 6 (XINHUA)—The Communist Party of Uruguay (PCU) inaugurated its 22nd congress Friday amidst a process of political renovation.

More than 2,000 delegates participated the congress here from 17 different countries, including a delegation from China.

The congress is considered to be an important historical milestone for Uruguayan communists.

Coming from 17 countries, the delegates will discuss the party's future outlook, the recent events in the international communist movement and the situation in Latin America.

Jaime Perez, PCU secretary general, presented the congress Friday with the central report, which calls for party renovation to take place in accordance with the new realities and challenges of today's world.

Recalling the history of the communist movement, Perez said, "The colossal experience of humanity, the seven decades of socialist construction, are a complex undertaking, a combination of memorable successes, of ill-fated attempts, of terrible errors."

"Socialist countries have succeeded in building a considerable industrial base and quickly developed agriculture, and grew at a significant economic pace," he said.

Uruguay's Communist Party was founded in 1920 and has a rich history of revolutionary struggle.

Yang Shangkun Appoints, Removes Envoys

OW0610153390 Beijing XINHUA in English
1225 GMT 6 Oct 90

[Text] Beijing, October 6 (XINHUA)—Yang Shangkun, president of the People's Republic of China, has appointed and removed ambassadors to two foreign countries according to a decision made by the Standing Committee of the National People's Congress.

The newly appointed ambassadors extraordinary and plenipotentiary include Zhu Xiangzhong to the Republic of Chile and Dai Shiqi to the Republic of Peru.

The ambassadors removed include Huang Shikang to the Republic of Chile and Zhu Xiangzhong to the Republic of Peru.

Political & Social

Reportage Covers Asian Games Events, Closing

Wang Renzhi Praises Journalists

OW0710180090 Beijing XINHUA Domestic Service
in Chinese 1311 GMT 5 Oct 90

[Text] Beijing, 5 Oct (XINHUA)—The following is the text of a speech by Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, at a press conference for domestic reporters covering the Asian Games:

As the close of the Asian Games approaches, the Propaganda Department of the CPC Central Committee, RENMIN RIBAO, XINHUA News Agency, the Ministry of Radio, Film, and Television, and the Chinese Association of Journalists are holding this conference to congratulate, in advance, the success of the Asian Games and to extend our heartfelt appreciation to all comrades covering the games.

The Asian Games have been a very successful, magnificent meet. It is not only a grand sports meet, but a great, monumental project that will go down in history made possible by the close concern and concerted efforts of people of all nationalities. This project involved all sectors. Thanks to the common efforts of the whole nation, we have made it a success. This grand meet has given expression to a spiritual strength—that is, the spirit popularly known as the Asian Games spirit—which is worthy of special mention. This spirit displayed at the Asian Games has substantial content, including lofty patriotism, soaring national pride, an indomitable fighting spirit, and the spirit of unity, cooperation, and selfless dedication. By successfully hosting this grand meet we have displayed excellent organizational skills, work efficiency, and a fine mental attitude. It shows that our political situation, society, and public sentiments are stable and that our socialist motherland is full of life and has immense potential. It testifies once again that under the leadership of the CPC and with the efforts of people of all nationalities, many difficult undertakings can be done and done well.

The Asian Games have been a success, and so has the coverage of the games. The coverage is worthy of the games and has added luster. Thanks to the fine work in all areas, including propaganda and coverage, an Asian Games craze has been sweeping the country. The Asian Games spirit has touched and inspired the broad masses of people and caused strong repercussions abroad. According to estimates, about 500 to 600 million people across the nation watched the live relay of the Asian Games opening ceremony. During the games, television and radio coverage, including news on games results, features, and live relays have registered high ratings. XINHUA News Agency has transmitted daily, in six languages including Chinese, English, Arabian, French, Spanish, and Russian, detailed and timely reports and photos to various nations and regions around the world.

It has also provided specials needed by many news agencies and newspapers. In addition to allotting a large portion of the front page to major Asian Games news, RENMIN RIBAO has also devoted two pages to the games daily. RENMIN RIBAO, CHINA DAILY, BEIJING RIBAO, and ZHONGGUO TIYUBAO have published supplements on the games. Other media units have also done a great deal of work, on which I will not elaborate here. What merits special mention is that media units in various provinces, autonomous regions, municipalities, and cities with provincial-level decision-making authority have also sent reporters and have contributed to the coverage of the Asian Games.

The success of the Asian Games coverage is a result of the hard work you have done in accordance with the purpose of the Asian Games. You, comrades, have worked day and night with an indomitable spirit, sedulously blazed new trails, and devoted your energies and efforts. Many people have worked overtime and some persisted in their posts in spite of illness. There is a phrase among the athletes: "faster, higher, and stronger." We can say that our journalists have also achieved that. Faster: They have been fast and timely in reporting on the games; higher: They have displayed a higher standard and have written, from different angles, varied and colorful reports that reflect certain aspects of the games; stronger: They have done a better job and the coverage is much better than similar coverage in the past. The success in the propaganda and coverage of the Asian Games once again shows that our contingent of journalists is able to withstand the test, creative and equal to the most formidable tasks.

The Asian Games have not ended. We must not slacken our efforts in the least. Continue to work hard, and see to it that we do a good job in propaganda and coverage from start to finish. After the Asian Games close, our journalists, propaganda workers, art and literary workers, and theoreticians should sum up, publicize, and keep up the Asian Games spirit so that this spirit will be consolidated and carried forward. We should use the Asian Games spirit to encourage the people to, under the guidance of the party's basic line, work hard for the prosperity of the country, overcome difficulties, and strive for sustained, stable, and coordinated development of the national economy and progress in building the socialist spiritual civilization.

'Destructive Elements' Arrested

OW0610115890 Tokyo KYODO in English 1108 GMT
6 Oct 90

[Text] Beijing, Oct. 6 KYODO—Security authorities have arrested a number of "destructive elements," some of them carrying bombs, near the Asian Games facilities, a spokesman for the Asiad organizers said Saturday.

Wu Zhongyuan did not say how many people were arrested.

He told KYODO NEWS SERVICE, however, that all the "elements" were from outside Beijing, and said that some were arrested before entering the capital. The others were captured close to Asian Games facilities, including the athletes' village, he said.

Most people from the countryside have been banned from entering Beijing during the games.

Observers here say security is so overwhelming it seems as if Beijing is under martial law.

Wu said security can never be too strict when "destructive elements" are around.

Song Jian Visits News Units

OW0810074190 Beijing Television Service
in Mandarin 1100 GMT 7 Oct 90

[From the "National News Hookup" program]

[Text] [Video shows Song Jian visiting a computer center and other news units in connection with the 11th Asian Games, being briefed by the personnel and talking with them] State Councillor Song Jian came to the Asian Games Computer Center, Bureau No. 491 of the Beijing Municipal Telecommunication Office, the main news center of the Asian Games, the Central Television Office, and the China International Radio and Television News Center this morning to visit the comrades working for the Asian Games. Song Jian expressed satisfaction with the work done by these units during the Asian Games.

At Bureau No. 491 of the Beijing Municipal Telecommunications Office, Song Jian shook hands with some of the personnel and said: "You have done a difficult job. You have contributed much to the success of the Asian Games."

At the journalists' room of the main news center of the Asian Games, Song Jian made the following remark after being briefed on the work of this unit: You have received so many journalists and have gained much useful experience. It is necessary earnestly to sum up this experience.

During the Asian Games, the Central Television Station has undertaken the heavy tasks of reporting the games on the television and sending televised programs abroad. The average time of its daily Asian Games programs is more than 18 hours. During the past 15 days since the opening of the Asian Games, this television station has sent out some 600 hours of international signals.

Song Jian came to the main control room and the satellite transmission site of the Central Television Station and inquired about the details of the transmission of televised programs.

In addition, Comrade Song Jian visited the International Radio and Television News Center, which has received some 400 reporters from foreign countries, Hong Kong, Macao, and Taiwan. The center has 14 international

satellite channels for reporters to transmit televised programs. Over two dozen television organizations have used these facilities to transmit televised programs during the period of the Asian Games. The center's work has won praise from the reporters.

Deng Absent From Ceremony

BK0710151090 Hong Kong AFP in English 1450 GMT
7 Oct 90

[Text] Beijing, Oct 7 (AFP)—Paramount leader Deng Xiaoping was absent Sunday from the closing ceremonies of the Asian Games, organized here as a major international public relations exercise for China.

Most Communist Party Politburo members and several government leaders were seen late Sunday on the rostrum at the workers' stadium, for the closing ceremony of the games.

Mr. Deng, 86, has not been seen in public for three months but was photographed in July when visiting construction sites of facilities for the games.

Mr. Deng was not seen on his birthday in August, and equally made no statement Monday, the 41st founding anniversary of the People's Republic of China, leaving the stage to party General Secretary Jiang Zemin, Premier Li Peng and President Yang Shangkun.

After officially retiring in November, Mr. Deng welcomed several "old friends of China," including Egyptian President Hosni Mubarak in May and Bangladesh President Hussain Mohammed Ershad in June.

On those occasions the foreign and local media were on hand to record the event although the Chinese press did not carry any reports on the meetings.

Then in September Mr. Deng did not show up to meet former U.S. Secretary of State Henry Kissinger, whom he had seen on all of his previous 16 visits to China.

Such absences have fuelled alarming rumours about Mr. Deng's health and his control over the country's affairs.

Officials, on the very rare occasions when they mention the subject, simply say Mr. Deng is in good health for a man of his age and continues to be consulted on issues of national importance.

Diplomats and analysts here suggest that such confidences are intended to dispel any fears about political instability amid the jockeying for power among those seeking to take Mr. Deng's place.

Leaders Send Message to Athletes

OW0810132690 Beijing XINHUA Domestic Service
in Chinese 1530 GMT 7 Oct 90

[Text] Beijing, 7 Oct (XINHUA)—The CPC Central Committee and the State Council sent a congratulatory letter to the Chinese sports delegation. The text of the letter is as follows:

To the Chinese sports delegation:

At the 11th Asian Games that have just concluded triumphantly, the Chinese sports delegation, holding high the banner of "Unity, Friendship, and Progress" and carrying forward the Olympic spirit of "faster, higher, and stronger," has accomplished brilliantly the great task entrusted to them by the motherland and the people with their outstanding athletic achievements and superb mental outlook. The CPC Central Committee and the State Council offer their warm congratulations and cordial regards to all of you!

At the grand sports meet of Asia, you displayed an indomitable fighting spirit, superb skills, bravery, and a strong desire to do better, rewrote quite a number of Asian records, and set world records—the best world records this year in some events. You have won honor for the nation and made contributions to the development of sports in Asia. The achievements, especially the spirit not to be outdone and to continue to forge ahead, which you displayed in the competitions will serve as a great inspiration for people throughout the country who are working on all fronts of reform, opening, and socialist modernization.

The sports front shoulders the glorious task of improving people's physical fitness, raising the level of athletic skills, and building socialist spiritual civilization. The CPC Central Committee and the State Council hope that our athletes will, with the 11th Asian Games as a new starting point, guard against arrogance and impetuosity, continue to forge ahead for greater achievements, and work hard to scale new heights in world sports. Comrades on the sports front, in spite the tremendous progress they have achieved, should find out where they lag behind, further pluck up their spirit, deepen reform, vigorously promote mass sports activities, bring China's sports movements to new heights and intensity, and make new contributions to the four modernizations and the rejuvenation of the Chinese nation.

[Signed] The Central Committee of the Communist Party of China

[Signed] The State Council

[Dated] 7 October 1990

Organizing Committee Sent Letter

OW0710230390 Beijing XINHUA Domestic Service
in Chinese 1537 GMT 7 Oct 90

["Text" of congratulatory letter from the CPC Central Committee and the State Council to the Asian Games Organizing Committee; date not given]

[Text] Beijing, 7 Oct (XINHUA)—The Organizing Committee of the 11th Asian Games:

The 11th Asian Games has ended safely, smoothly, colorfully, and successfully with the concern and support of the people of the entire country and the people of Asia. The Central Committee and the State Council offer their warm congratulations on this historic success! They

extend their cordial regards to you and, through you, to all Asian Games personnel who have worked hard in unity and coordination! They extend their heartfelt thanks to Beijing Municipality, the State Physical Culture and Sports Commission, and Qinhuangdao City in Hebei Province, which were directly involved in all specific work concerning the Asian Games; to the various localities, departments, and the People's Liberation Army, which made contributions to the Asian Games; and to the people of all nationalities throughout the country, compatriots in Taiwan, Hong Kong, and Macao, Overseas Chinese compatriots, and international friends for their vigorous support of the Asian games!

The sports achievements and standards demonstrated at the 11th Asian Games and the ability demonstrated in organizing the games were highly valued by world opinion and added an indelible page in the history of sports development in China and Asia. The success of the 11th Asian Games greatly inspired the patriotism and revolutionary spirit of people of all nationalities and enhanced the dignity and confidence of Chinese people both inside and outside China. The success played a positive role in promoting the unity, friendship, and progress of the Asian peoples and the flesh and blood ties between Chinese compatriots on both sides of the Taiwan Strait. The Asian Games' success resulted from China's political, social, and economic stability and from vigorous socialist cooperation among various regions and departments in China. The Asian Games spirit of "selfless devotion, hard work, cooperation in unity, and striving for best quality" has struck deep roots in the hearts of the people.

The 10 years of the 1990's will be the most crucial and important period for the development of China's socialist cause. The Central Committee and the State Council sincerely hope that people working on all fronts are enlightened by the 11th Asian Games. They should apply the patriotism and the spirit of unity and hard struggle that emerged during the games when they are performing their work. Such patriotism and spirit also should be continued in the great cause of socialist construction. All trades and professions should continue to work hard with one heart and one mind for a strong and prosperous China, do all work well while focusing on economic development, and strive to fulfill the strategic target of quadrupling China's gross national product by the year 2000!

[Signed] The Central Committee of the Communist Party of China

[Signed] The State Council

[Dated] 7 October 1990

Editorial Overviews Games

HK0810104690 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 8 Oct 90 p 1

[Editorial: "Victory of the Aim of the Asian Games—Congratulating the Closing of the 11th Asian Games"]

[Text] The 11th Asian Games, which has attracted worldwide attention, had its curtain triumphantly lowered in Beijing.

From 22 September when the curtain was raised, to 7 October when the curtain was lowered, athletes and representatives from 37 Asian countries and regions, and guests and friends from the world's other countries who supported the Asian Games and showed interest, gathered in Beijing, and spent a wonderful and unforgettable time. At this moment of the closing of the 11th Asian Games, we sincerely thank the International Olympic Committee for its care and the Asian Olympic Council for its instruction, and we sincerely thank athletes and friends from various countries and regions for the support and help they have given us.

With common joy in their hearts, the participants think that the 11th Asian Games were successful and well organized. This year's Asian Games indeed became a grand meeting of "unity, friendship, progress." The success of the Asian Games is the victory of the aim of the Asian Games. "Unity, friendship, and progress" are common wishes among athletes and people of various countries and regions, and are in accordance with the trend of historical development. This slogan is not only shouted loudly in China; it goes deep into the hearts of the Asian people through this year's Asian Games.

The 16-day competition was tense, fierce, and fair; the athletes developed the Olympic spirit, and strived to be "faster, higher, and stronger," showing their styles and achieving their standards. Asian records been rewritten one after one, with some reaching and coming close to the world level, while some have surpassed and set world records. The 11th Asian Games will be written into the history of sports in Asia as one which broke the most records by far. With rich results and greatness, this year's Asian Games tell the world again: Asia, which in the past faced backwardness as a result of the aggression and enslavement by colonialism and capitalism, is rising up extremely rapidly in the East with irresistible force.

Many fascinating stories have been told about the intimate exchanges and interactions during those 16 days, and become the topic of friendship among various Asian countries and regions. The 11th Asian Games resembled a ribbon of friendship and unity, which tied friends who spoke different languages together. Compared with past Asian Games, the number of participating countries and regions in this year's Asian Games is the largest, so is the number of athletes and of competition items. "For friendship we come, with friendship we go" has become the common language of the athletes from various countries. The success of the 11th Asian Games is the result of the common effort made by the Asian people.

Entrusted with the responsibility for organizing this year's Asian Games, China has persistently observed the principle of "unity, friendship, progress" in preparing for the material conditions, and in organization work and in service as well, doing its very best. Various

dignitaries, well-known persons, athletes, coaches, judges, and officials have praised various works in this year's Asian Games as being first-class. The Chinese people are happy because they have fulfilled the international obligation they ought to toward the Asian people.

In this year's Asian Games, the Chinese athletes have scored outstanding results and this is very encouraging. This fully indicates the strong willpower of our country's athletes to fight hard, the great progress in our country's sports undertaking since the last Asian Games, and the growing prosperity in our great socialist country. The people in the whole country are proud of it. From the preparation to the opening of this year's Asian Games, we have made great achievements in material and spiritual civilizations. The Asian Games have left us the great Asian Games village, which is worth mentioning even in the world's construction history. During the Asian Games, we also showed the strong sense of honor for striving for the country's glory, the centripetal spirit of uniting for struggle and selfless dedication, the strong willpower for competition, the work ethic aimed at striving for the best, and the broad-mindedness for opening up. These great spiritual fruits should all the more be consolidated and developed. At the same time as the whole nation is striving to attain the great socialist goal of the four modernizations, we believe that this rising spirit of striving for the country's glory in the Asian Games in Beijing, will spread to every front in our motherland, and inspire every person, becoming a long lasting motive force.

Although the curtain of the 11th Asian Games has now been lowered, the spirit of the Asian Games will exist forever. The continuous development of the aim of the Asian Games will certainly play a great role in the development of various undertakings in our country and in Asia.

Although the curtain of the 11th Asian Games has now been lowered, the friendship among the Asian people will exist forever. The Chinese people, as usual, will make continuous efforts in upgrading the sports standards in Asia, and enhancing the friendship among the Asian people.

Bid To Host Olympics Prepared

HK0910023490 Beijing CHINA DAILY in English
9 Oct 90 p 1

[By staff reporter Ren Kan]

[Text] China is ready to proceed with its application for hosting the Olympic Games in 2000, said the country's leading sports official just one day after the conclusion of the 11th Asian Games in Beijing.

"The successful staging of the 11th Asian Games has heightened China's confidence about hosting the Olympic Games in 2000," said Wu Shaozu, executive president of the Asiad Organizing Committee.

Wu, who is also Minister of the State Commission of Physical Education and Sports, told a news conference yesterday in Beijing that hosting the Olympic Games has long been China's "cherished wish."

"After summing up the experience of the Asian Games, we will submit our application first to the Chinese Government," he said.

After receiving approval from the government, he said, the application will be sent to the International Olympic Committee (IOC).

This would have to be done very quickly since the IOC will decide the site of the 2000 Olympics in 1993, he said.

"We hope our friends from all over the world will help us in this regard," he said.

Chen Xitong, president of the Asiad organizing Committee and Mayor of Beijing, told the press conference the country will do its best to improve both software and hardware to meet the demands of the Olympic Games.

Chen said that he is urging every Chinese citizen who might be involved in the Olympic Games to learn a foreign language before 2000 to help make the Games a success.

He Zhenliang, permanent vice-president of the organizing committee, told reporters that the future of sports exchanges between the mainland and Taiwan is quite promising because "it represents the common wish of the people on both sides of the Taiwan Straits."

The Chinese Olympic Committee and Chinese Taipei Olympic Committee have both made great efforts to boost the exchange which resulted in a large sports delegation from Taiwan competing in the 11th Asian Games.

"We hope people from both sides will treasure the hard-won results," he said.

He said, however, that conditions in Taiwan are "not ripe" for hosting the Asian Games at present as they do not meet the bid requirements of the Olympic Council of Asia (OCA).

He said some rules, issued by the Taiwan authorities are based on political discrimination and are in violation of the rules of OCA.

So it is not surprising that their bid was opposed at the OCA meeting held two weeks ago, He added. During that OCA General Assembly, Bangkok was designated as host of 1998 Asian Games.

He believed that the decision would not have any impact on the sports exchanges between the two sides of the Taiwan Straits.

"We sincerely hope the people with insight in Taiwan will continue their efforts to promote such exchanges," he said.

The 11th Asian Games was on the whole "successful and smooth," said Chen.

One of the major symbols of the success is that the principle of unity, friendship and progress was adhered to by one and all, throughout the event, he said.

Another symbol of the success is the results of the competition, said the Beijing Mayor.

Seven world records and 89 Asian records were broken during the Games. And some 189 Asiad Games records were rewritten.

He said the 11th Asian Games has indeed promoted the sports level in Asia while making great contribution to sports around the world.

Chen attributed the success to the support of the Chinese Government and people and of all the people in the world, and the guidance of the IOC and OCA leadership.

The Central Committee of the Communist Party of China (CPC) and the State Council on Sunday congratulated the Organizing Committee of the 11th Asian Games on the success of the Games and of the Chinese athletes, pointing out that this was resulted from China's political, social and economic stability, and the concerted efforts of various regions and departments in China.

World opinion has highly valued the athletic achievements and the organizing work of the 11th Asian Games, they said, adding the success of the Games has greatly inspired the Chinese people and play a positive role in promoting unity, friendship and progress of the Asian people and the flesh-blood ties between Chinese compatriots on both sides of the Taiwan Straits.

Deng Said To Reject Five-Year Plan Draft

HK0910004790 Hong Kong SOUTH CHINA MORNING POST in English 9 Oct 90 p 12

[By Chris Yeung]

[Text] Senior Chinese leader Mr. Deng Xiaoping has rejected a draft blueprint of the Eighth Five Year Plan (1991-1995), saying there was too much emphasis on state control and too little on reforms, a Japanese newspaper reported.

The five-year economic strategy formulated by the State Council was also said to have met opposition from provincial leaders because it sought greater centralisation.

Faced with the strong opposition, the TOKYO SHIMBUN quoted Beijing sources as saying the party leaders were re-drafting the plan to be tabled at the next party plenum, now postponed until November.

The report said regional governments, who have repeatedly called for greater autonomy in pushing economic growth, were opposed to the conservative leaders' plan to tighten central control in economic matters.

Chinese sources said recent propaganda reports in state-controlled media indicated that the "bird cage" economic theory, coined by party elder Mr. Chen Yun, has emerged as the guiding philosophy in drafting the next five-year plan.

Instead of reforms, the strengthening of agriculture, state planning and large-scale government construction figured prominently in the blueprint.

According to the Hong Kong-based magazine MIRROR MONTHLY, issued tomorrow, Mr. Deng has expressed his dissatisfaction over the emphasis on state control and negligence of reforms in the draft proposals.

He reportedly said: "The decade of the 1990s is crucial and the best time to continue the open and reform policy. We should try to make a bigger step forward. I'm holding out great hope."

The 86-year-old leader who has been out of the limelight since July was also said to have asked for a copy of the draft proposals to be sent to ousted party general secretary Mr. Zhao Ziyang for his advice.

Mr. Zhao has in turn made a lengthy proposal to the party leaders, which was in line with the reformist economists' criticisms.

The magazine said, however, conservatives were gaining the upper hand in charting the future direction of state affairs, in particular, the economic plan for the next five to 10 years.

Reiterating that the mainland still faced difficulties and the likelihood of turmoil in the 1990s because of the international and domestic situation, conservative leaders including Premier Mr. Li Peng and Vice-Premier Mr. Yao Yilin, insisted the key to the future economic plan must be "self-reliance".

They emphasised the significance of "continued, stable and coordinated development" instead of taking bold measures, the magazine said.

It said Mr. Deng, the chief architect of the reform policy in the 1980s, faced increasing pressure from other octogenarian leaders.

The China-watching monthly said Mr. Deng has repeatedly urged other retired leaders not to interfere publicly with state affairs. He had reportedly praised the performances of the party head Mr. Jiang Zemin and appealed for support to the new nucleus.

Now actively jockeying for power at the forthcoming party plenum, conservatives have already succeeded in edging out reformist Politburo Standing Committee

member Mr. Li Ruihuan from the party's leading group on ideology and propaganda work.

Although the group is still headed by Mr. Jiang, conservative ideologues including Mr. Deng Liqun, Mr. Wang Renzhi and Mr. Xu Weichang were said to be in charge of daily matters.

Deng's Son Called Unofficial 'Political Aide'

OW0810095490 Tokyo KYODO in English 0931 GMT 8 Oct 90

[Text] Hong Kong, Oct. 8 KYODO—The youngest son of China's paramount leader, Deng Xiaoping, has recently become Deng's private political aide, according to a report in the latest edition of the MIRROR, a China-watching journal.

Deng's son, Deng Zhifang, who recently returned from a stay in the United States, is nominally deputy chief engineer with China International Trust and Investment Corp. (CITIC), a state-backed investment group, reports the MIRROR, published here Monday.

But Deng Zhifang has in fact become an unofficial ambassador for his father, say sources quoted by the MIRROR.

He has gone on secret trips overseas, and made investigative visits to cities and provinces within China, reporting back directly to the elder Deng.

Deng Xiaoping, 86, officially retired from all posts last year, but is still widely thought to be the most powerful man in China.

He has not been seen in public since visiting a construction site for the 11th Asian Games in July this year, say analysts, raising speculation about his health.

Leaders Meet Visiting Inner Mongolian Officials

OW0610180690 Beijing XINHUA Domestic Service in Chinese 0708 GMT 5 Oct 90

[By correspondent Cao Shuangxi (2580 7175 0823) and apprentice correspondent Zhao Ruixia (6392 5360 7209) exclusively for NEIMENGGU RIBAO]

[Text] Beijing, 5 Oct (XINHUA)—A group of minority nationalities from China's frontier counties is currently touring Beijing. Among the group members are 20 comrades of the Mongolian nationality from the Inner Mongolian Autonomous Region. In the last several days, they have experienced the joy of spending the National Day together with party and state leaders.

They arrived in Beijing on 29 September. On the evening of the next day, they joined other members of the group at the National Day reception held in the Great Hall of the People. In the morning of 1 October, they and other members of the group, as guests of Zhongnanhai, were received by central leading Comrades Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song

Ping, and Li Ruihuan. The leading comrades also posed for a group photograph with them to mark the occasion. On behalf of the people of all nationalities in Inner Mongolia, Rong Sheng, vice chairman of the Nationalities Commission of the Inner Mongolian Autonomous Region, and Purlai, deputy party secretary of Dongsu Banner of Xilin Gol League, presented hada [a piece of silk used as a greeting gift among the Tibetan and Mongolian nationalities] to the leading comrades.

General Secretary Jiang Zemin shook hands with them and said: "I hope you are well." They replied with emotion: "We hope you are well, too, General Secretary." Premier Li Peng is very much concerned about animal husbandry production in Inner Mongolia. He asked them: "Have you reaped good grass harvests this year?" They answered the premier in chorus: "Yes, we have." Comrade Qiao Shi has inspected Chen Barag Banner of Hulun Buir League before. He asked Daoli Geerzabu, secretary of the Chen Barag Banner Party Committee, about the current situation of the Hulun Buir League. Daoli Geerzabu briefed the leaders on the excellent situation of the experimental reform zone in the Hulun Buir League.

After meeting with the representatives of various nationalities, the central leading comrades joined them at a get-together. They joyfully danced together on the lawn.

The representatives of minority nationalities were too excited to sleep at night so they gathered for a discussion. Their consensus was that the invitation extended to them by the party Central Committee to visit Zhongnanhai showed the party's attention to the regions of minority nationalities, as well as its consistent concern for the people of minority nationalities. They said that it was an unforgettable day, and that they would tell the broad masses of the cadres and people back home about their joyful experience and let the cadres and the people share in their joy.

CPC Soon Expected To Relax Policies, Measures

HK0910033090 Hong Kong TANGTAI in Chinese
No 44, 29 Sep 90 pp 14-15

[Article by Huang Chien (7806 0256): "The CPC Recently Held Discussions and Solicited Opinions and Is Expected To Adopt 'Some Relaxed Measures' After the Seventh Plenary Session of the 13th CPC Central Committee"]

[Text] The 11th Asian Games are currently underway in Beijing. After the Asian Games, the focus of political news in China will shift to the "Seventh Plenary Session of the 13th CPC Central Committee" which is of interest both at home and abroad. According to informed sources here in Beijing, after the "Seventh Plenary Session of the 13th CPC Central Committee", the CPC will introduce even greater relaxation and readjustment in ongoing policies. The primary reason for this move is the economic situation which has now reached a stage "where relaxation cannot be avoided anymore". Zou Jiahua and

Yuan Mu have both acknowledged the messy situation in two recent speeches. On 21 August, the State Council directed all banks to lower all types of interest rates for a second time in a bid to reverse the softening of the economy. However, more than a month after the reduction took effect, there are still no results. Profits realized by state enterprises went down by 68 percent compared to last year, with the profit rate a mere 0.6 percent. The top CPC hierarchy is well aware that the economy has slid into an uncontrollable phase. Hence, even people within the CPC are saying that the top hierarchy was forced to implement a relaxation policy, the objective being to save the still sluggish economy, check the nationwide unrest caused by excessive restrictions, and gain time for the conservatives to continue consolidating their acquired powers.

The Gist of the Relaxation Policy: Bring About a Complete End to Clean-Ups and Investigations and Shift the Focus of Work

However, whether the CPC is taking this step because it had no choice or because it is adapting to changes, this writer believes that if it can really ease up, it would still be a good thing. What worries this writer is: Once the CPC relaxes policies after the "Seventh Plenary Session of the 13th CPC Central Committee", will it not again follow the old path of "chaos after relaxation and relaxation killed off after chaos"?

Let me now present some of the major contents of the expected relaxation policy. According to information from informed sources, the CPC is now discussing the principal spirit of this relaxation within the party, with some already soliciting opinions from concerned sectors. The essence is as follows:

1. On the political aspect, continue to play down the "4 June Incident", bring a complete end to the clean-up and investigation work and reregistration of party members, and create a relaxed atmosphere in order to shift the focus of work nationwide to economic construction.

At present, the reregistration of party members across the country is not yet finished and a large number of people "who committed mistakes" during the "4 June Incident" have yet to be classified. In this partywide clean-up and investigation movement, the CPC's final conclusion is that no anti-party clique exists within the party and that the principal cause of the "4 June Incident" lies in the CPC's top hierarchy, especially Zhao Ziyang. In recent years, it has eased up on political-ideological work, and on the struggle between the two lines within the ideological domain, in particular letting down the guard against bourgeois liberalization which was taken advantage of by hostile international and domestic forces. Added to this was the prevalence of decadence, graft, and corruption within the party which aroused strong discontent among the majority of cadres and people. The principal responsibility therefore rests with the central authorities.

A Number of Detained Persons Will Be Released

To appease the people, the CPC plans to announce party disciplinary action against Zhao Ziyang during the "Seventh Plenary Session of the 13th CPC Central Committee" and let him assume some titular positions. Meanwhile, Yan Mingfu and Rui Xinwen, both of whom were affected by the "4 June Incident", will be assigned work again. However, antisocialist and antiparty "provocateurs" who remain unrepentant over the "4 June Incident" and who stubbornly cling to a bourgeois liberal stand, including Liu Xiaobo, Wang Dan, Wang Juntao, Chen Ziming, and Han Dongfang will have to face trial. Aside from some criminal elements who were either executed or sentenced to imprisonment for their parts in beating, smashing, and looting during the "4 June Incident", other participants around the country whose roles were deemed serious will be punished by either being refused party registration, exclusion from major and important positions, or dismissal from work. Other ordinary citizens will continue to work after receiving education and lessons. During the period after the Asian Games but prior to or following the "Seventh Plenary Session of the 13th CPC Central Committee", a number of detained persons will be released to pacify the people. The CPC will call on the people in all units to "learn the lessons and forget the past, let bygones be bygones, and shift attention to the new work on hand".

"Report on Quelling of Rebellion" Put on Ice

These are the open policies but informed sources reminded this writer that one thing should be noted and that is, the CPC's top hierarchy no longer holds the same view about Chen Xitong's "Report on Quelling of Rebellion" released after the "4 June Incident". Parts of the report were actually censored (particularly the part on foreign involvement); hence, everyone agreed not to talk about the "Report on Quelling of Rebellion" and the report itself has actually been put on ice. While this is far from a reversal of the verdict on the "4 June Incident", the cold shouldering and difference of views over the "Report on Quelling of Rebellion" are indeed worth pondering upon. Of course, another reason for the CPC's omission of the "report" is its desire to avoid provoking foreign states and affect current efforts to secure foreign loans.

Informed sources claimed that the serious hindrance to the above-mentioned plan of playing down the "4 June Incident" is Zhao Ziyang's firm refusal to admit his mistakes and his exercising his civil right in demanding freedom of movement from Deng Xiaoping. His presence on the golf course, which was recently discovered by reporters, was an example of his fight for freedom of movement. Li Peng and others disagreed on letting Zhao come out before his case has been thoroughly settled but they could not have their way and all they could do was to instruct the dozen or so security men around to prevent any contacts between Zhao and other people while he was playing golf, even with staff members at the golf course.

In addition, large numbers of party and state cadres who have been investigated by "working teams" for their roles in the "rebellion" have refused to admit their mistakes. None of them want to be released from work at this time and since the CPC does not dare to make massive arrests over the "4 June Incident", everyone prefers to procrastinate and see who can last the longest. Therefore, clean-up and investigation work in the localities has also been affected and slowed down. If the CPC wants to complete this plan before the "Seventh Plenary Session of the 13th CPC Central Committee", it appears that more work needs to be done.

Relaxing Economic Controls To Stimulate the Market

2. Further loosen up purchasing power of social organizations and abolish the "purchase control offices" (abbreviation for the office controlling purchasing power of social organizations. Purchase of nonproduction materials including automobiles, home appliances, office equipment, gifts and meals for guests by all government departments, state, and private enterprises on the mainland fall under the category of purchasing power of social organizations. All such expenditure will have to be approved by the "purchase control office".) which were set up in all provinces and municipalities, encourage consumption by enterprises, and, in particular, relax controls over consumer goods purchases, including automobiles and electrical appliances, by enterprises and offices. It is hoped that consumption by the organizations will stimulate the market and resolve problems such as oversupply of goods and capital.

3. Relax controls over business operations of companies and enterprises which have already undergone readjustment and allow exclusive non-state enterprises to again enjoy the right to engage in business operations related to color televisions, refrigerators, petrochemicals, steel, and light industrial goods.

4. Relax restrictions on town and village enterprises, renew bank loans to these enterprises, and allow them to engage in foreign trade, commercial distribution, and operations involving industrial raw materials.

China's present economic problems have transcended the domain of economics and are totally dictated by politics. This relaxation will, to a certain degree, lead to a more active market but in effect, it will still divert funds into the hands of private individuals and thus exert greater inflationary pressure. In fact, it is a continuation of Zhao Ziyang's economic policy. At present, the total amount of the savings of the Chinese people has now surpassed a staggering 600 billion yuan. This is a frightening figure. If a slight commotion should lead to the kind of nationwide panic-buying experienced in 1988, the government will not be able to deal with it.

The Relaxation Is Expected To Last a Year

The CPC threw out Zhao Ziyang at a crucial moment when its planned economy was making the switch to a market economy. The Li Peng government has failed so

far to deal effectively with the problems brought about by the switch and has even lost the people's support, leading to unexpected social contradictions. If reforms intended to lead to a market economy are continued, they will inevitably touch on the last defense of the "Four Cardinal Principles". If it were to return to the system of ten years ago, it would definitely jeopardize the interest of the people all over the country and lead to its own collapse. Herein lies the contradiction facing the CPC and the key problem which has put it in a dilemma.

Summing up, a period of relative relaxation is expected after the "Seventh Plenary Session of the 13th CPC Central Committee" but mainland economists predict that it will last a year and will then be followed by the usual pattern of "chaos after relaxation and relaxation killed off after chaos". Since it is not a voluntary move and not a true exercise of invigoration and opening up, the people, too, are unlikely to respond actively and enthusiastically as they have in the past.

Commentator on National Flag Law Implementation

HK0710061690 Beijing RENMIN RIBAO in Chinese
30 Sep 90 p 1

[Commentator's Article: "Respect and Cherish the National Flag—Joyously Greeting the Enforcement of the 'PRC National Flag Law'"]

[Text] The Seventh Standing Committee of the National People's Congress [NPC] adopted the "PRC National Flag Law" at its 14th meeting, and the PRC president decreed that the law would come into force as of 1 October 1990.

October 1st is an important date in China's contemporary history. On this day 41 years ago, at the grand founding ceremony of the PRC, Mao Zedong, the great leader of the Chinese people, personally hoisted the first national flag—the five-star red flag. From then on, under the guidance of this flag, the motherland grew stronger and more prosperous, and the Chinese people firmly advanced along the socialist course. The five-star red flag is the mark of the PRC and the symbol of the motherland. Safeguarding the dignity of the five-star red flag is the sacred duty of every citizen.

The current National Flag Law was formulated by the special legislative institution according to the proposal of several people's deputies to the NPC and members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]. A CPPCC National Committee member wrote in his motion: "The sense of nation is the foundation for a nation's rallying force. If the sense of nation is lessened and the people lose their sense of belonging, the situation would be more terrible than that caused by economic problems. Therefore, it is necessary to formulate a national flag law to strengthen the citizens' sense of legally supporting a national flag and to increase the nation's rallying force." This portrayed the patriotic feelings of the people. We believe

that the implementation of the National Flag Law will certainly help carry forward the patriotic spirit.

The National Flag Law includes a series of stipulations on the institutions and places where national flags should be hoisted and the forms and requirements of hoisting the national flag. The national flag should be hoisted on the buildings of all state institutions to exercise the state power along with all border inspection stations and border sentry posts to symbolize our country's territorial jurisdiction. On National Day, International Labor Day, New Year's Day, and Spring Festival, which are national holidays celebrated by the nation, national flags should be hoisted widely in all institutions, units, and public places. The National Flag Law also stipulates that all full-time primary and middle schools should hold regular flag-hoisting ceremonies. The main purpose of all these stipulations is to strengthen the citizens' sense of nation and extensively conduct patriotic education among the masses through the solemn ceremonies of hoisting national flags. In order to implement the National Flag Law, we should grasp this basic spirit and tell the masses, especially young people and children, about the great significance of respecting and cherishing the national flag so that they will link respecting and cherishing the national flag with loving the motherland, being loyal to the motherland, and dedicating themselves to the great cause of regenerating the motherland. This will inspire their patriotic enthusiasm, boost the national morale, and further advance our motherland's socialist modernization construction and the cause of reform and opening up.

Northwest Region

Zhang Boxing Speaks at Rural Work Conference

HK0610082990 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 6 Oct 90

[Text] A provincial rural work conference opened in Xian on 5 October, at which the provincial party committee Secretary, Zhang Boxing, delivered an important speech.

In his speech, Zhang Boxing pointed out: Since the founding of the People's Republic, and especially in the 10 years of reform, our province has achieved marvelous successes in its rural work and the agricultural situation is now developing in a favorable direction. The development of the agro-economy has laid a fairly good foundation for maintaining and developing the province's overall situation. However, we should see with sober-mindedness that the basic conditions for agricultural production have not been substantially improved and there is still a lack of sustained growth. This merits our high attention. Zhang Boxing also noted that the position of taking agriculture as the foundation of the national economy is very important to us. Leaders at various levels should give top priority to agriculture, and particularly party committees at the prefectural and county

levels should concentrate their main efforts on the development of agricultural production and should in no way ignore the principle of taking agriculture as the foundation of the national economy. Leaders should truly incline toward agriculture when making policies, guarantee a relatively large amount of financial expenditure for agriculture, try to increase the input of money, materials, technology and manpower in agriculture, and strengthen the staying power of agricultural development. At the same time, all localities should put scientific and technological advancement on a very important place and make unremitting efforts to ensure a sustained and steady agricultural development by relying on scientific and technological advancement. Zhang Boxing emphasized that the first thing we have to do in agricultural development is to substantially increase grain production; while expanding grain production, we should also actively engage in diverse economic undertakings and vigorously develop township and town enterprises. Only by developing them in a balanced way can we lay a solid foundation for the national economy as a whole. Zhang Boxing pointed out: In deepening the rural reform at present and in the near future, we should attach importance to two points: One is to stabilize and improve the double-tier operation system whereby household separate management is combined with the management of collective enterprises; the other is to energetically develop different forms of service organization based on unified management services and to intensify the functions of the state departments concerned for serving agricultural production and the rural economy so as to gradually establish a criss-cross socialized service system. Zhang Boxing said in conclusion: To push the progress of rural work as a whole, it is necessary to strengthen party leadership, consolidate primary party organizations in rural areas and organize all social forces to form a powerful force so that all professions and trades will offer more substantial support to agriculture, the entire party and the whole people will create a new situation for going in for agriculture in a big way and agriculture of our province will develop in a sustained and steady way.

Governor Bai Qingcai presided over the conference.

Attending it were Zhang Ze, Li Xipu, Zhou Yaguang, Mou Lingsheng, An Qiyuan, Zeng Yuming, Li Huanzheng, (Man Jianfeng), Sun Daren, (Wang Guangbi) and other provincial party and government leaders.

Shaanxi Steps Up Party Building Work

*HK0610070490 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 4 Oct 90*

[Text] Since the Fourth Plenary Session of the 13th CPC Central Committee, party organizations at all levels in our province have conscientiously implemented the spirit of the plenary session, concentrated efforts on strengthening party building, and achieved gratifying results in party building work.

Party committees at all levels have generally attached importance to and strengthened party organization building work at the grass-roots level. Party committees at all levels in our province, especially prefectural, city, and county party committees, have placed party building work high on their work agendas, set up 6,364 party building work liaison points, and rectified and readjusted the grass-roots party organizations which are incompatible with the demands of the present situation and task by strictly adhering to the basic line of one center, two basic points. By the end of the first half of this year, more than 5,000 party branches in the rural areas had been rectified, accounting for 15 percent of the total number. More than 15,000 party branches in the rural areas had been enforced and strengthened. Through rectification and readjustment, a batch of backward branches witnessed a fundamental turn for the better. The fighting bastion role of party branches was strengthened. The leadership building of grass-roots party committees also made new progress.

On the basis of examination and screening, our province has carried out a comprehensive appraisal of more than 4,850 grass-roots party committees and their leaders and reinforced and readjusted these party committees through re-election, thus strengthening their overall capacity. The work of educating and managing party members has been further strengthened. Party committees at all levels in our province have further improved and perfected the party organizational system at the grass-roots level and the party member management and education system. Most of the townships and towns and some enterprises and undertakings across our province have now set up their own spare-time party schools. Since last year, various prefectures, cities, counties, and some units have carried out a general training of party members and party branch secretaries in rotation. A (four-level) [as heard] audiovisual education network covering provincial, prefectural, city, county, and township levels has been basically formed. Now various counties, cities, prefectures, and over 50 percent of townships and towns have been equipped with audiovisual education facilities, which have played an important role in the education of party members.

Tomur Dawamat Addresses United Front Meeting

*OW0710063190 Urumqi Xinjiang Television Network
in Mandarin 1400 GMT 6 Oct 90*

[By station reporter (Chen Junzhi); from the "Xinjiang News" program]

[Text] [Video opens with a long shot of a meeting hall showing leaders seated at a long tables while others are seated at rows of long tables facing the leaders] A regional meeting on united front work took place in Urumqi today. Among those attending the meeting were Song Hanliang, Tomur Dawamat, Li Shoushan, Zhang Sixue, and other leaders from the regional party committee, People's Congress, government, committee of the Chinese People's Political Consultative Conference

[CPPCC], and production and construction corps. [After a pan shot of the leaders, video shows Tomur Dawamat speaking] Tomur Dawamat, deputy secretary of the regional party committee and chairman of this autonomous region, pointed out in his speech that upholding the party's leadership is the fundamental guarantee for consolidating and developing the broadest patriotic united front. [Video gives pan shots of other participants] Tomur Dawamat said: Under the party Central Committee's correct leadership, party organizations at all levels, all departments, and units, and comrades in the entire party unremittingly must carry out the principles and policies formulated by the party Central Committee with regard to the united front. They should see the importance, necessity, and protracted nature of the party's united front from a strategic viewpoint. Party organizations at all levels should strengthen their leadership over united front work, hold high the banners of socialism and patriotism, unite all forces that can be united, and further consolidate and develop the patriotic united front to serve the purpose of maintaining political stability and unity, promoting socialist modernization and the drive of reform and opening to the outside world, improving socialist democracy and the legal system, and achieving the peaceful reunification of our motherland based on the concept of one country and two systems. Every effort should be made to fulfill the tasks that the party has set for united front work.

[Video shows (Qin Guosheng) speaking] (Qin Guosheng), deputy director of the General Office of the United Front Work Department of the party Central Committee, spoke at the meeting. On behalf of the United Front Work Department, he called for earnestly studying Comrade Jiang Zemin's speech at the national united front work conference and grasping the guidelines established at that conference.

[Video shows Ba Dai delivering a speech] Ba Dai, member of the Standing Committee of the regional party committee and chairman of the regional CPPCC committee, spoke on the guidelines of the national united front work conference.

Xinjiang Reports Good Agricultural Harvest

OW0910084890 Beijing XINHUA in English
0730 GMT 9 Oct 90

[Text] Beijing, October 9 (XINHUA)—The Xinjiang Uygur Autonomous Region reported another good harvest this year, the "PEOPLE'S DAILY" reported today.

The multi-national area in northwest China has had bountiful farm harvests and animal husbandry production for 11 years running.

According to statistics, the output of grain, cotton, edible oil, beet and livestock this year is up four percent, 18.5 percent, 4.7 percent, 68.9 percent and 2.8 percent, respectively, over last year.

The national newspaper attributed the results to favorable weather conditions and attention paid by local governments to increasing sowing areas, funds and chemical fertilizer.

More than 8,000 agrotechnicians in the region have been sent to rural areas to help farmers boost production.

Economic & Agricultural

Li Peng Speaks on Market, Industrial Production

OW0910093090 Beijing XINHUA Domestic Service
in Chinese 0057 GMT 8 Oct 90

["Text" of speech by Li Peng at a national conference on industrial production work on 2 August 1990 entitled "Strive To Stimulate the Market and Promote the Proper Development of Production"—published in QIUSHI, Issue No. 20 of 1990]

[Text] Beijing, 8 Oct (XINHUA)—QIUSHI editor's note: Comrade Li Peng made a speech at a National Conference on Industrial Production Work on 2 August 1990, in which he gave a comprehensive analysis of the current economic situation. [Passage indistinct] is of great significance for a long-term, sustained, stable and coordinated development. With the concurrence of Comrade Li Peng, QIUSHI is publishing the full text of the speech. Before publication, Comrade Li Peng revised a few words. [End editor's note]

The current National Conference on Industrial Production Work has proceeded smoothly, and has been convened in good time. I would like to explain my views on several questions you have mentioned in your speeches.

Question One: On the Current Economic Situation

The current economic situation has been analyzed from various angles, and the views you have expressed are not all the same. I believe that it is better to follow the theory that everything has two aspects than to just emphasize one aspect. Judging from the economic situation in the country as a whole, we should, first and foremost, affirm that marked results have been achieved in the economic improvement and rectification drive and in deepening reforms, and that the national economy is developing in a wholesome direction. The total output of summer grain this year has reached an all-time high record, and autumn harvested grain crops are growing in a promising manner. Industrial production is picking up gradually. Compared with the same period last year, the total output value of industry grew by 2.3 percent in the first seven months of this year, while the August growth rate was 4.6 percent more than that of the same month last year. Investment in fixed assets has increased, market sales have picked up gradually, exports have grown steadily, and the country's spot exchange balance has increased. There are plenty of goods in Chinese markets, and the people lead a stable life. At the same time, however, we should recognize mounting difficulties and problems, including some serious ones, on the road of

advancement. Problems at deeper levels, such as production structure and economic efficiency, are far from being solved. The national economy is not developing evenly, and some regions are still experiencing considerable difficulties. As ours is a vast country, the economic development of regions never will be even at any time. Comrades of Xinjiang say that they are in a more difficult period, while comrades of other regions, speaking in a relative sense, say that Xinjiang's economy does not respond as quickly as the economies of other regions. When I visited Xinjiang last November, Xinjiang's economy continued to develop at a pace of more than 10 percent, although the national production speed had already slowed down at that time. As Xinjiang lagged behind other regions in the economic slowdown, it may also recover slowly now. As for the question of decreased consumption nationwide, it also should be analyzed realistically. We may ask ordinary people if they feel their living standards have dropped. The majority of people will say their life is not bad, prices are stable, and there are plenty of goods in markets. The consumption of some clothing and goods for use may have been postponed, and the purchase of household electric appliances has decreased because there are still some leftover goods from last year's panic buying. However, the consumption of foodstuff has increased, and there is a sufficient supply of nonstaple foodstuff. Therefore, it cannot be said simply that the consumption of urban and rural residents in everyday life is not as good as before. We still need to stress two points: Our confidence should be enhanced by the healthy development of the economic situation; at the same time, we should estimate more thoroughly the existing difficulties and problems, do deeper and more meticulous work, and avoid blind optimism. In this way, we can draw a more comprehensive analysis.

Question Two: On Strengthening Leadership Over the Production Work

Everyone has suggested that the party and the government exercise greater leadership over production work and take more effective measures to stimulate the recovery of production. I am very much in favor of your suggestion. In order to further promote production, governments at all levels should strengthen leadership over production work and step up coordination and management. After adopting a number of microeconomic regulatory measures in March, the State Council studied and put forward five additional microeconomic regulatory measures at its ninth plenary session last July. The two most important of these measures are to appropriately readjust and lower bank interest rates on savings deposits and loans, and to have the banks increase the quotas of loans for the procurement of farm produce and circulating funds of enterprises. These measures have been implemented gradually. In addition, the state will increase funds for a number of capital construction projects. The investment orientation of the increased funds is very important. They should not be invested blindly but mainly in the following four areas: First,

more funds should be allocated for those key construction projects which were not given sufficient funds originally. Second, some of the funds should be used to solve the problem of arrears in payments of construction projects which have been suspended or postponed due to the reduction in the scale of capital construction. Third, the increased funds should not be invested in the technological transformation of all projects, but only in key projects and those with a fixed aim. By raising enterprise efficiency and readjusting product mix, we should tap potential and improve the management of enterprises. However, this cannot be accomplished without upgrading the technological level of enterprises to a certain degree. Therefore, it is necessary to increase funds for a number of selective technological transformation projects. Fourth, the increased funds should be invested in the construction of urban residential housing. The problem of housing for urban workers and staff remains difficult and uneven nationwide, and is more serious in certain cities. This year, and throughout the Eighth Five-Year Plan, we should spend more funds building large-scale housing for workers and staff. As for the scale of capital construction, it should be maintained basically at the level decided upon in the first half of this year. That is to say, this year's capital construction scale should, in general, be at the level equivalent to the real working amount of last year's capital construction. Nevertheless, at the beginning of this year it was predicted that the commodity price index would rise by 14 percent; however, the increase in the first half of this year was smaller. It now appears that we will be able to control the rise of the price index this year at around seven percent. In this way, calculated on the basis of the real work amount, the increase in capital construction investment will be limited. Therefore, the State Planning Commission is requested to earnestly study the quota for increased investment in capital construction on the basis of the original amount, or the appropriate increase in final consumption. As everyone says, measures have been formulated but have not been implemented. There are many reasons why. One is the inability of state finance to appropriate funds. Moreover, high interest rates have made enterprises unwilling or unable to borrow money from banks, enterprises do not have sufficient funds at their disposal, and it is difficult to find sources of funds. Therefore, we should lower bank interest rates for loans appropriately. Governments and financial departments at various levels should raise some money and offer loans with the interest borne by local financial departments so as to further improve capital construction.

In carrying out economic work, we should not be content simply with qualitative analysis, describing the trend in general terms. For example, in describing a sluggish market, it is not enough to say that the total demand is insufficient. We should also conduct a quantitative analysis, clarifying the actual amount of shortage in demand, where and what products are in short demand, and what products are in excessive demand. Comrades engaged in economic work, including those at the provincial and

city levels and comrades of the central authorities, the State Council, and the State Planning Commission, should familiarize themselves with the method of quantitative analysis. Using this method, the State Statistics Bureau predicted at the beginning of this year that, if this year's fixed asset investment and total retail sales volume plan were measured on the basis of last year's real volume, this year's production growth rate could reach about five percent, which is near the planned target. According to the analysis of some comrades, for every 10,000 yuan increase in capital construction investment, 3,000 yuan will be spent on building materials, 3,000 yuan on the purchase of electrical and mechanical engineering equipment, and the remaining 4,000 yuan will be transformed into consumption funds. This analysis roughly conforms to reality. Of course, it will depend on the kind of capital construction project. For example, the portion for earth work will be greater in infrastructure construction; the portion for equipment will be greater in power station construction; and the portion for building materials will be greater in housing construction. In short, increasing investment in some capital construction projects is a solution to increasing demand. However, there is the question of the extent of increase. Investment should not be increased by a big margin, but should be strictly controlled.

Why should we develop enterprise groups? Because enterprise groups have many advantages such as technology and a more rational composition of production factors. By developing enterprise groups, we will be able to make use of the existing human and material resources and thus cut back capital construction investment, upgrade products, introduce a division of labor based on specialization, develop batch production, and increase our competitiveness in the international market. By developing enterprise groups, we will also be able to pool funds for technical renovation and transformation. Our enterprises are generally small in size with relatively little fixed assets. Even if we raise the depreciation rate, it would still be rather difficult for the enterprise to launch some substantial technical renovation project with its own financial resources. Being an enterprise group, it can take advantage as a collective to pool funds for major technical renovation projects to improve, step by step, the entire enterprise group's production level and quality.

People suggested that some readjustment measures should produce results as quickly as possible. This suggestion is correct. Why haven't these measures begun to yield results quickly? There are two reasons: On one hand, there is a time lag before economic measures yield results in a big country like China. We started the policy of retrenchment after the Third Plenary Session of the 13th CPC Central Committee in September 1988 and the results were not evident in the first six months. Only nine months later, when enterprises had used almost all the funds at their disposal and did not possess much potential, did growth in production and capital construction gradually slow down. There is a time lag for

retrenchment, for restoration, and also for measures to yield results. On the other hand, there are also problems in our work—a perfunctory work style, low efficiency, and serious bureaucratism in government departments and economic organizations at all levels. Therefore, financial, banking, and planning departments at all levels must pay close attention to implementing their work around the State Council measures for readjusting the intensity of retrenchment so that the various measures will be carried out and yield results as quickly as possible.

During the discussions at this meeting, some comrades suggested that, under the precondition of maintaining overall control, we appropriately readjust the intensity of retrenchment to create a looser environment for the development of production. I agree with this suggestion. However, whether or not we should loosen the intensity of retrenchment from what it is now and implement some price reform measures is something we must approach with great care. On several occasions the State Council has studied the question of the appropriate intensity of retrenchment. Weighing the pros and cons, it has concluded that the scale of readjustment, after all, should not be too big, for there are numerous unpredictable factors involved. Take, for instance, the question of the inflation rate, which was quite low, below three percent, in the first half of this year. If it reaches seven percent for the whole year, a considerable readjustment will be required in the second half of the year. The price index will then rise to a high level next year and there will be no room for us to make readjustments. After taking all these circumstances into consideration, we have concluded that piecemeal readjustment is safer. What the fifth plenary session of the Central Committee summed up still applies: In carrying out national construction we must not get impatient for quick success; in carrying out reform we must not get impatient for quick success; likewise, in improving the economic environment and rectifying the economic order, we must not get impatient for quick results. The desired results in the process of improving the economic environment and rectifying the economic order have not yet been achieved. Therefore, this should continue next year, but it is possible to alter the principal tasks. While reducing the scale of investments, we should gradually and effectively shift our principal tasks to heightening economic results and readjusting structures.

Question Three: On Stimulating the Market

Under the present circumstances, the way for industrial production to prosper lies in stimulating the market. This viewpoint is correct. Therefore, every effort should be made to open up the domestic market, the international market, the urban market, and the rural market. When there are markets, enterprises will become lively because they can sell their products. There is still a great potential to be tapped with regard to stimulating the market. If we adopt a more effective measure that improves the market through better organization, the capacity of the market will increase. Different forms of

commodity sales exhibitions should be held because they will not only enable producers and consumers to meet and help promote sales of commodities, but also are conducive to understanding the mentality of consumers, mastering market information, and promoting production of new products and readjustment of the product mix. To avoid overstocking of products for a long period of time, hard-to-sell products should be marketed at properly reduced prices.

While we are emphasizing the revival of the market, we should be clear that the fundamental method of boosting economic development lies in structural readjustment. Enterprises must attach great importance to readjusting structures, improving product quality, producing more readily marketable products, and raising economic efficiency. The present slump in the sale of some commodities on the market is partially caused by insufficient funds for capital construction. Nevertheless, if investments for some capital construction projects are increased, we will be repeating the mistake of building low-quality projects unless the quality of machinery products is improved. Instead of a spiral growth for our economy, we will be stuck in the vicious cycle of "lifting of restrictions leads to chaos, chaos leads to retrenchment, retrenchment leads to economic stagnation, and retrenchment again leads to lifting of restrictions." Obviously, this way of doing things will not work. We must seize the opportunity for structural readjustment to free our economy from that cycle so that it can grow and reach a new starting point. The present market slump is not a total slump at all because high-quality products are still selling well. You have visited the Matsushita joint venture in Beijing producing color television picture tubes, haven't you? Picture tubes manufactured by the joint venture sell very well. It is the same with other products, such as garments. They sell well if their fashion is modern and quality is good.

In organizing industrial production in the second half of this year, we must, first, take hold of the market, and, second, in providing guidance for production, we must attach great importance to structural readjustment, upgrading product quality, and reducing material consumption by enterprises. We should strive to produce some results by summing up experiences in this respect. The quality of quite a large number of enterprises in China is not high, and their economic efficiency is low. We must make great efforts to solve this problem to enable China's economy to shift gradually from a stress on growth rates to a stress on efficiency. During the Seventh Five-Year Plan period, we invested a large sum of money to have a number of projects built. These investments are not yet playing their full role. During the Eighth Five-Year Plan period, an important policy for China's economic development is to cut down the construction of new projects, increase projects of technical transformation, and fully tap the potential of existing enterprises and completed projects. The purpose is to increase production and efficiency with less input. I hope that governments at all levels pay attention to this aspect

and will not again solely pursue growth rates and more projects in disregard of efficiency and seek improvement by simply relying on external conditions. Of course, efforts should be made to improve the production environment to create still better external conditions. Nevertheless, it is more important for enterprises to tap their own potentialities. Enterprises have great potentialities. So long as enthusiasm can be enhanced, results will emerge. Various localities are now complaining about insufficient capital. We should solve this problem properly, and additional funds should be allocated where necessary. However, purely relying on increases in capital is no way to solve a problem. In the absence of a market, increasing capital will result only in a new overstocking of finished products.

We should continue to carry out the work of settling "three-angle debts." Some comrades have complained that new debts are incurred following the liquidation of old debts. In fact, the work has been effective. In the past, this work was carried out only in a trade and a province (prefecture or city). Henceforth, it should be extended to the whole country, so that there will be a national liquidation of debts. Liquidation of debts should be carried out in conjunction with the banking system of collection and acceptance. We must avoid creating a bad economic order, in which arrears are considered reasonable and an advantage. In settling debt accounts, we should draw up a rule or regulation to prevent running into new arrears. Banks should create better conditions for enterprises by refraining from charging higher interest and from imposing interest penalties, by lowering interest rates, and by enforcing the system of differential interest rates for grain and export products. In the case of arrears deliberately created by an enterprise, however, the means of economic penalties must be adopted in order to prevent the debtor from having an advantage.

Recently, a spokesman of the Ministry of Foreign Economic Relations and Trade issued a statement analyzing China's import and export situation and reiterating to the world that China will not practice trade protectionism and will allow increased imports according to needs in the second half of this year. The statement is correct. China's trade surplus has increased somewhat this year, and this has attracted international attention. However, we have no intention of simply increasing imports indiscriminately. We have to import goods according to the needs of economic development. Since we already have an overstocking of steel products, it will make no sense if we continue to import steel products. Of course, we have to import some types of steel in short supply here, but we still have to import them according to need. Finished oil products are beginning to show a surplus, and there is an overstocking of lead, aluminum, pig iron, and other products. It is necessary to appropriately increase our foreign exchange reserves under the condition in which the West has not yet abandoned, nor will they completely abandon, their "sanctions" against us. This will help us in resisting the "sanctions" and in

increasing China's self-reliance. Recently, we scored some achievements on the diplomatic front. All of you are happy about this. Political and economic stability within the country is the foundation for diplomatic work. More and more foreign enterprises have come to us. This is because China's investment environment is improving. Another important reason for this is our increase in foreign exchange reserves. Henceforth, in borrowing foreign loans, we must strive for loans with preferential terms, if possible. [A few characters missing] country, we have the reason to strive for such loans, but we must not entertain high hopes with regard to this matter. If we have a large foreign exchange reserve, we shall be able to cope with debt-servicing during the peak period. We shall be able to preserve China's creditability and reputation if we have ample capacity to service our debts. If we have a large amount of foreign exchange reserves, we shall be able to use them for the construction of projects. Surplus foreign exchange at our disposal should be used where it is needed. China's needs are numerous, and there are so many projects to be built. In foreign trade, our policy is to encourage exports and imports according to our needs.

Question Four: On the Guiding Ideology for Formulating the Eighth Five-Year Plan

The State Council has recently and frequently discussed the question of guiding ideology for formulating the Eighth Five-Year Plan and a 10-year plan. After soliciting the opinions of various provinces, cities, departments, and commissions, the State Council plans to draw up a good Eighth Five-Year Plan and a 10-year plan, and submit them to the Central Committee [ZHONG YANG] for discussion. In formulating the Eighth Five-Year Plan, we should do it in conjunction with drawing up a 10-year plan. This is because big projects concerning the national economy and the people's livelihood take more than five years to complete. Moreover, economic development is a continuous process. The Eighth Five-Year Plan should not only take into account the economic questions for a period of only five years. It must take into consideration economic development questions in the Ninth Five-Year Plan and even those of the next century.

We have proclaimed, on many occasions, that the second step of our strategic goal of developing China's economy conforms to China's conditions, that it is realistic, and that it need not be modified. Our basic goal still remains the same: To double China's gross national product and to improve the people's standard of living to a comfortable level by the end of this century. By comfortable level, it means a better standard of living, or a standard equivalent to the upper medium standard of developing countries. To realize this goal requires that the annual economic growth rate in the next 10 years be maintained at least at 5.5 to 6 percent. We do not want to go after excessive growth rate. The key lies in constantly improving the economic structure and raising economic efficiency.

The formulating of the Eighth Five-Year Plan is very important, because it determines whether China's economy will develop soundly and smoothly in the next 10 years and even for a longer time after that. All departments and localities should make great efforts to do this work well by conducting thorough investigations and studies.

To formulate successfully the Eighth Five-Year Plan and the 10-Year Program, we must hold the guiding ideology that it is imperative, first of all, to adhere to the principle of a protracted, sustained, stable, and balanced development of the national economy and prevent the reappearance of any big fluctuation. Experience over the past decades has shown that in carrying out economic construction, we must act in accordance with our capability and guard against being overly anxious for quick results. During the initial period of the Eighth Five-Year Plan, we still should uphold the principle of improving the economic environment, rectifying economic order, and deepening reform. At present, the tendency to vie to start new projects, ask for investment, and go all out to race against time has reappeared in some localities and departments. If this situation remains unchecked, it inevitably will result in an overly extended construction front, an overly expanded scale of work, poor economic returns, low product quality, and the reappearance of the old problem of being overly anxious for quick results. We must take a serious attitude to draw lessons from the past and persist in making steady progress during the period of the Eighth Five-Year Plan and 10 years from now on. All key construction projects at the national level should be included in the plan, and in no way should they be developed indiscriminately. While maintaining an overall balance, we must implement seriously and strictly the state industrial policy and develop various industries in a harmonious way. Being harmonious means that there must be a relationship of appropriate proportions. Especially in the first five years, we should launch some energy, transport, and telecommunications construction projects and develop some infrastructure projects in agriculture, such as chemical fertilizers and pesticides. The petrochemical industry is a key field of construction. In particular, we should develop more chemical fiber products to make up for the shortage of cotton. As for general processing industries, we basically should refrain from starting new projects. All we should do is technological transformation. We should use the present plant buildings, manpower, and material resources to develop new and high-quality products and exploit the existing productive capacity to the fullest extent. We should devote efforts to agriculture and develop the production of grain, cotton, and cooking oil. During the next 10 years, if we can increase our grain output by an average 5 billion kilograms annually, it would be quite remarkable. If the increase in output can reach 8 billion kilograms, it would be even better. The output of grain cannot be raised without input. Therefore, we must increase input, boost the production of chemical fertilizers, build water conservancy projects, and improve crop strains. This question must be

regarded as the main part of the work of the state as well as all provinces (regions and municipalities). In industry, technological transformation is the main task. In agriculture, attention should be focused on raising the yield per unit area. This is the guiding ideology for developing the economy.

Here I wish to dwell on two questions about which you are concerned: One, in view of the current improvement of our economy, plus the fact that we have announced the establishment of the Pudong Development Zone in Shanghai, and that the central authorities are formulating the Eighth Five-Year Plan, some localities have a feeling of rashness, fearing that they could not catch up with the train. The various provinces have vied to request that they be allowed to send representatives to Beijing to make reports to the State Council and the State Planning Commission. I ask you to bring a message back: The party Central Committee and the State Council are prepared to hold an economic work forum. Prior to this forum, please do not send your representatives here so that the State Planning Commission can concentrate its efforts on formulating the Eighth Five Year Plan and the outline of the 10-Year Program. It is by no means true that if you come here early, your projects will be included, and if you do not come, your projects will be excluded.

The other question is that after the announcement on the Pudong Development Zone, some provinces and municipalities cannot remain still but have vied to plan to absorb more capital from Hong Kong, Taiwan, and foreign countries. Some think that their present development zones are not sufficient and wish to establish new ones. Others want to establish their own development zones to coordinate with the Pudong Development Zone. I suggest that all keep a clear head on this question. The party Central Committee's decision to develop Pudong and open it to the outside world is an important strategic plan. It not only has a bearing on Shanghai's development, but also concerns economic development in the Chang Jiang valley and throughout the country. Therefore, we must concentrate our efforts on doing this work well. If this locality has established a development zone, and other localities also vie to establish development zones, giving rise to a state of rushing headlong into mass action, then the final result may be that nothing is accomplished, and none of the development zones is successful. Many economic scholars in the world approve of the opening and development of Pudong. They have vied to contact us and offer suggestions. However, they said: You all should not be too enthusiastic and start a development zone craze. Their opinion is worthy of attention. The reason is very simple. Whatever projects are to be launched, money is required. Even the utilization of foreign capital is dictated by how much domestic capital is available to cope with it. Take exclusively foreign-owned enterprises for example: A good investment environment also should be prepared for them. When such enterprises are set up, the supply of circulating funds will then be involved. Moreover, there

is a time limit from investment to production. Expansion of a project takes a rather long time. The taxes for such enterprises are exempted for three years and then reduced for two years. At the beginning, the state and the relevant locality cannot get much revenue from them. It is faster to gain earnings from engaging in real estate, building housing, and running hotels, but such businesses have reached a saturation point in many localities and do not have much appeal any more. Fundamentally speaking, therefore, it is impossible to spend no money in opening a development zone. Where does the money come from? Some money can be squeezed from local financial departments, but I am afraid that banks will have to be depended upon for most of the money needed. Such a practice may result in an overheated economy again. Therefore, on this question, we must remain sober-minded. No localities are allowed to exceed their authority to give a press briefing at which to provide preferential conditions at will. In the next 10 years, we should concentrate our efforts on making the existing development area a success. If a locality or project can attract foreign investment according to the industrial policy, preferential conditions can be provided within the confines of relevant state regulations. However, we will not necessarily designate what is called a "zone."

In attracting foreign investment, it is necessary to have policy guidance. The State Planning Commission has formulated an industrial policy, stipulating what should be developed and what should be limited in development or what should not be developed at all. For instance, our country has a production capacity of more than 30 million spindles, and a considerable number of factories do not operate at full capacity because of a cotton supply shortage. Exports are limited to quotas. A factory in China, no matter whether it is owned by a Taiwan, Hong Kong, Macao, or a foreign businessman, is subjected to foreign quota restrictions in exporting its products. We cannot welcome projects like this. Some people on Taiwan intend to move "nearly outmoded industries" [xi yang gong ye 1119 7122 1562 2814] to the mainland. We want openly to make it clear that we do not welcome such industries. We welcome high technology and export-oriented projects whose products can be exported. We should tell foreign businessmen which projects we welcome and which we do not. To tell them the truth is also a way of being responsible to them.

In attracting foreign investment, we should cherish greatly our land resources. We should not force land prices down too much and designate too large an area to attract foreign investment. China's economy is stable, and its fundamental problem is agricultural. China is too populous, its per capita land is too small, and its land resources are extremely precious. Therefore, we must greatly cherish land at all times. We tell foreign businessmen that there are no prospects for engaging in land business on the mainland. When one comes to the mainland, one should bring one's enterprise along. On the mainland, the environment for investment is good,

society is stable, and labor is cheap; when one come here to do business, one can make money. Under no circumstances must we use land, especially cultivated land or good farmland, as a condition to attract foreign investment. Otherwise, we will make a historic mistake and will not be able to account for this to the people and to our posterity.

Question Five: On Straightening Out Step by Step the Relations Between the State and Enterprise and Those Between the Central and Local Authorities

We should handle properly the relations between the state and enterprises. During the Eighth Five-Year Plan or even the next 10 years, we should continue to carry out enterprise reform as the focal point of economic restructuring. Enterprises should not only increase their vitality and their ability to develop themselves but improve their self-restraint mechanism and overcome their behavior based on the consideration of short-term interests. They should stabilize and improve their contract responsibility system and, through experiments, move step by step toward separating tax payment from profit delivery and paying their loans and fulfill their contract obligations after paying taxes. How long this transition period will be and what steps should be taken to bring about such transition will be important subjects to be studied in formulating the Eighth Five-Year Plan. Vigorous efforts should be made to promote the joint operation of enterprises and to encourage the development of enterprise groups.

Now, the state is giving out a very large sum of financial subsidies, almost equivalent to one-third of its total financial revenue. To keep the policy stable and maintain sustained economic development and social stability, these subsidies should be continued. However, since the subsidies use such a large proportion of our revenue, it is financially difficult to continue them. They must be reduced step by step. The reform of the financial system should be conducive to rationalizing the relationship between the central authorities and various localities and arousing the initiative at both the central level and in various localities. It is necessary not only to appropriately centralize financial resources, but also to take care of local interests and protect the initiative of various localities and enterprises. Some comrades have suggested that conditions be created for a gradual transition to the tax revenue sharing system while maintaining the local financial responsibility system. This suggestion should be studied and discussed intensively.

It is no good to conduct regional blockade and protectionism. Socialist production is socialized mass production, and the whole country is a unified market. Only when all localities in the country share out the work, coordinate their efforts with one another, and develop their respective strong points under the guidance of the state plan, is it possible to bring into full play the superiority of the socialist system and socialized mass production. Regional blockade is just the opposite. It

protects backwardness, undermines the nationwide unified market, and impedes technological advance. This practice will bring harm to the state and, in the end, to the localities that conduct regional blockade. We should not do anything that violates the objective law. Of course, here is a question of distribution of interests. It is necessary to study what measures and what macro regulation and control methods should be adopted so as to take care of the interests of all localities; that is, the interests of both the localities producing raw and other materials and the localities doing the processing work. Protectionism should not be adopted for this purpose. Perhaps, the adoption of the joint operations method or the method of rough processing of raw materials at the places where they are produced is a measure for solving the question of how to take care of the interests of both. These methods may be tried in various localities. All localities and enterprises around the country should establish a good reputation for their own products at home and abroad. They should welcome brand-name and fine-quality products made by other localities to come in and, at the same time, send out their own brand-name and competitive products. This is the only way to be invincible in the midst of competition. If they damage their own reputation, they may make some gains when their products are urgently needed in the market, but in the long run, they will suffer severely.

Question Six: On the Enterprise Management System

With regard to the question of the enterprise management system, there is a clear-cut policy. The system of factory directors assuming full responsibility should continue to be implemented in accordance with the "Enterprise Law." This is beyond controversy. It is also correct that party committees play a core role in the political and ideological work. The question of "center" and "core" has not yet been properly handled, and we must straighten it out. It seems to me that we should solve whatever question we have at present. The Enterprise Management Association has written a report saying that the main problem presently existing in enterprises is the appointment of cadres. That is to say, enterprise cadres should be appointed by the party committee according to the principle that the party should exercise the management of cadres. If the party committee does not exercise the management of cadres, then the quality of the factory director is decisive. If the quality of the factory director is good, he will appoint people on their merits, and the factory will be well managed. If the quality of the factory director is no good, he will, with his power in hand, appoint people by favoritism, and the management of the enterprise will become worse and worse. In view of our party's fine tradition and the current situation of enterprises and society, management of cadres by the party is conducive to the development of enterprises. This is consistent with the implementation of the system of factory directors assuming full responsibility. Factory directors are required to organize production and be responsible for production. If the administrative leading body of a factory cannot make the factory director work

smoothly, it will be very hard for him to carry out his work. Such being the case, it is rather appropriate to adopt the practice of enterprise administrative cadres nominated by the factory director, examined by the party committee, and then endorsed by the collective. At present, every enterprise has its own rules, and it is necessary to establish a unified standard so as to solve this question institutionally. It is suggested that as the first step, all provinces (regions and municipalities) work out their own procedures for appointment of cadres in enterprises within their provinces (regions and municipalities) in line with the principle set by the central authorities. Then, the state will enact a statute on the basis of summing up the experience of various localities. This will be more in line with the reality.

Question Seven: The Issue of Enterprises' Burdens

The burdens borne by peasants and enterprises are very heavy. While certain burdens should be borne by them, some others certainly should not. This issue already has caught the attention of the CPC Central Committee and the State Council. They are investigating and studying this issue and drafting a document about stopping the unauthorized collection of fees, apportionment of expenses, and imposition of fines. We should analyze specifically the causes of why the burdens of enterprises are heavy. Certain causes can be attributed to central departments, many can be attributed to local authorities, and certain projects must be carried out. All these factors must be considered. On the basis of the views that have been solicited, a document for making improvements will be drawn up and issued.

We should be determined to change gradually the system under which the state and enterprises are fully responsible for working on staff housing, old-age pensions, jobs, and medical care. We should have a system under which burdens are shared rationally by the state, collectives, and individuals. We should establish and improve gradually the social insurance system, and continue to reform the housing system. We should continue strictly to control the construction of office buildings, auditoriums, and guesthouses, and build some more living quarters for working staff and other people and more public facilities in urban areas. Some money should be earmarked for these purposes.

Question Eight: The Issue of Agriculture

Although you all are from the industrial sector, you must not forget for one moment that China is a big country with an agricultural population of 800 million, and that agriculture is our economic lifeline and the foundation of our national economy. The reason we have achieved fairly noticeable success in the last two years in our economic readjustments, which have been proceeding fairly smoothly, despite external pressure and internal problems is because of the two bumper harvests—the bumper crops last year and the bumper summer grain crop this year. They have played a decisive role in this area. We must continue to work hard to seize a bumper

grain crop this fall. So far, we have yet to encounter any major disaster, only some local disasters. For some time to come, we must attend to drought and flood prevention at the same time. When necessary, industry must accommodate agricultural needs and support agricultural production. This is an unshirkable responsibility for the industrial sector. Although you all are in charge of industrial production, you must go all out to support agriculture and make efforts to ensure another bumper harvest this year. If we have a bumper grain crop this fall, grain imports can be reduced appropriately. This would facilitate our economic and industrial development. After we have a bumper grain harvest, we should do a good job in grain purchasing and protect the peasants' interests by setting protective prices. When the peasants have money, they will have higher purchasing power and they will purchase more productive materials and means of living. At that time, the sluggish market will change for the better, there will be a greater supply of nonstaple foods in cities, and the state will have greater room to maneuver. Thus, attending to agriculture and striving for a bumper grain crop this fall not only is the mission of the agricultural front, but also a mission of the industrial and economic fronts and the entire party as well.

After this meeting, I hope you will implement earnestly its guidelines and make a success of the industrial production in the next six months. Not only must we have growth, but also actual results. Progress also must be made in structural readjustment.

Asian Games Stimulates TV Sales in Wuhan

OW0510152090 Beijing XINHUA in English
1032 GMT 5 Oct 90

[Text] Wuhan, October 5 (XINHUA)—The outstanding performance of the Chinese team in the 11th Asian Games has stimulated sales of color T.V. sets in Wuhan, capital of central China's Hubei Province.

According to Wan Wenda, deputy manager of the Wuhan Department Store—one of the ten largest in the country—sales of color T.V. sets totaled 7.2 million yuan during the first 29 days of September. Sales were 200 percent higher than the monthly target, and were 82.4 percent higher than the same period last year.

Average daily sales for the first ten days of September were 25 sets, however when the Asian Games opened on September 22nd the average increased to 110 sets daily.

Other electric appliance shops in the city have also achieved higher sales of color T.V. sets.

While buying a color T.V. set, a male teacher told XINHUA that the Chinese team has achieved more than 100 gold medals at the Asian Games. The more he watched the games on his black-and-white T.V. set, the more dissatisfied he became, so his family decided to buy a color set.

Foreign Trade Shows 'Increasing Momentum'

OW0510152190 Beijing XINHUA in English
1154 GMT 5 Oct 90

[Text] Beijing, September 5 (XINHUA)—China's foreign trade has exhibited increasing momentum in the first eight months of 1990, with the total import and export trade value reaching 51.41 billion U.S. dollars.

Of the total, export value amounted to 32.62 billion U.S. dollars, according to today's overseas edition of the "PEOPLE'S DAILY."

Meanwhile, foreign loan agreements signed this year were valued at 3.58 billion U.S. dollars, and 4.48 billion U.S. dollars has actually been used, the paper reports.

Also this year foreign investors signed 4,107 contracts involving 3.52 billion U.S. dollars of foreign funds.

Reviewing trade developments over the past 11 years, the paper says that China has forged trade links with more than 180 countries and regions.

The ratio of the country's exported manufactured goods rose from 46.5 percent in 1988 to 65.3 percent last year, while the export of primary products was reduced to 34.7 percent, the paper says.

China's import of complete plants and technologies totaled 3,858 items in the past years. China has exported 474 pieces of technology, with an export value of 1.48 billion U.S. dollars, in the past decade.

A total of 10,634 labor contracts involving 12.8 billion U.S. dollars have been signed in the past 11 years. And the country has built 645 non-trade enterprises in 88 countries and regions.

Light Industrial Goods Exports Increase

OW0510131690 Beijing XINHUA in English
0838 GMT 5 Oct 90

[Text] Beijing, October 5 (XINHUA)—China is expected to export light industrial goods valued at more than 10 billion U.S. dollars this year, PEOPLE'S DAILY reported today.

Customs' statistics show that China earned a record 12.4 billion U.S. dollars last year from export of light industrial goods.

In the first six months of 1990 the country exported goods valued at 6.7 billion U.S. dollars, up 30.8 percent over the same period of last year.

The paper noted that exports of light industrial goods are expected to top 13 billion U.S. dollars this year, accounting for one fourth of the country's total export volume.

The "DAILY" attributed the good results to the shift in production from labor intensive-products to technology-intensive products. Other factors contributing to the

increase were the shift in exports to high-grade goods and finished products, instead of low-grade goods and raw materials.

Further Efforts Needed To Harness Huang He

OW0510121790 Beijing XINHUA in English
0738 GMT 5 Oct 90

[Text] Beijing, October 5 (XINHUA)—How to improve the ecological environment of the loess plateau in north China so as to reduce the silt in the Yellow River is a key to finally harnessing it.

Of the large plateau, more than half suffers from erosion. Each year about two billion tons of soil from the plateau is washed away by rains into the river, an article in the September 5 issue of the Beijing-based GUANGMING DAILY reported.

The river bed gains one meter of silt every 10 years as deposits from the loess plateau are washed into it. The silt is carried along by the flow of the river into its lower reaches.

Consequently, people living in Shandong and Henan Provinces have to strengthen and raise the river dams one meter every 10 years, the paper said.

Still, the river in the flood season is frightening for it is now a river suspended in "mid-air". A break in the dam will invariably cause disaster.

Since the founding of the People's Republic in 1949, the Yellow River has been controlled by the high-rise dams. But the dams cannot guarantee absolute safety for those who live in the Yellow River's flood plain, it said.

However, it cited a good example from Shanxi Province in controlling soil erosion.

In Shanxi's Xishan area, one of the 18 poorest regions in the country, people joined hands in building farmland and planting vegetation under specific plans.

They have turned a significant part of formerly eroded land into large stretches of forest and erosion-proof farmland.

Based on the example, the article made some suggestions to speed up the process of transforming the loess plateau.

The authorities should work out comprehensive development plans to tackle soil erosion areas on the loess plateau and include them in the nation's Eighth or Ninth Five-Year Plan.

It suggested that authorities pool funds for supporting the poor, for water conservancy and for afforestation together and concentrate their effort to tackle the eroded areas.

It noted that county governments should be granted greater power in amassing manpower, funds and materials in their areas to tackle the erosion more efficiently.

Another suggestion was that the government should provide more preferential treatment to officials and scientific personnel in eroded areas so that they would be more willing to stay and work there.

Afforestation Project To Boost Timber Resources

*HK0610041890 Beijing CHINA DAILY in English
6 Oct 90 p 1*

[By staff reporter Wang Dongtai]

[Text] A major nationwide afforestation project to plant 26.2 billion trees over an area of 57.2 million hectares by the year 2000 has been approved by the central government.

The ambitious project, designed to increase the country's forest coverage from its present 13 percent to 17 percent, will give a substantial boost to the country's timber resources, according to the Ministry of Forestry.

During the past 20 months, while the project was receiving final approval from the State Council, some 17 million hectares were planted. An additional 40 million hectares of new forests will have to be planted before 2000.

The project will need an investment of about 24.8 billion yuan—23.3 billion yuan for the planting of trees and 1.5 billion for the upkeep of young trees. The money will come from government funds, bank loans and local investment.

Last year, the government released an investigative report which indicated that the country's consumption of timber surpassed output and that its timber resources had decreased.

China has made great efforts to expand its forest coverage over the past years to control soil erosion and sandstorms. Major projects include the Three North Shelter Belt project which runs just north of the Great Wall and the recent Yangtze River Valley afforestation project.

However, these new forests, developed because of environmental concerns, are not expected to produce much useful timber for the national economy.

The new afforestation plan is aimed at ensuring a steady increase of forestry and timber resources in China into the next century, officials said.

The plan will be enforced nationwide by local governments at all levels, according to the State Council instructions.

The 57.2 million hectares of trees to be planted include 39.6 million hectares to be planted by hand, 6.2 million hectares to be sowed by air. [sentence as published] Some 11.4 million hectares will be grown in mountainous areas and 12.5 million hectares on land on which timber has been cut. The plan also includes the planting of trees along 240,000 kilometres of roads and 12,000 kilometres of railroads.

According to the plan, 16 million hectares will be timber forests, 12 million hectares will be environmental protection forests, 4 million hectares will be trees to be used as fuel, 6 million hectares will be fruit and nut trees.

To fulfil the target, farmers, forest workers and even urban residents will have to contribute to various kinds of tree-planting projects.

And 39.6 million hectares of young trees will have to be cultivated, at an average of 3.3 million hectares each year.

East Region

Lu Rongjing Meets Buddhist Association Chief

OW0710075690 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 4 Oct 89

[By station reporter (Xu Xiufang); from the "Provincial Hookup" program]

[Text] Yesterday was the Mid-Autumn Festival. Responsible persons of the provincial party committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], including Lu Rongjing, Fu Xishou, and Shi Junjie, met with Zhao Puchu, vice chairman of the CPPCC National Committee and president of the Buddhist Association of China, at the (Daoxianglou) Guesthouse in Hefei.

Vice Chairman Zhao Puchu is a native of Taihu, Anhui. He came to Anhui from Beijing on 16 September to attend the ceremonies for the dedication of the Jiuhua-shan Temple of the Earth Buddha and for the inauguration of the Jiuhuashan Buddhist Institute.

Lu Rongjing and Fu Xishou briefed Comrade Zhao Puchu on Anhui's current situation. Comrade Zhao Puchu told them of the impression he had gained during this visit. He said: Although I am old, I am still a son of Anhui, which is my native place. On this trip home, I was greatly excited to see the drastic changes in my native place.

Comrade Zhao Puchu gave very good suggestions on how to accelerate the development of the economy, culture, science, technology, and the work of aid to the poor in the old liberated areas. He also made very good suggestions on such matters as the implementation of religious policy and the renovation of key temples in connection with the development of tourism.

While in Anhui, Comrade Zhao Puchu made work inspection tours to Huangshan, Anqing, Taihu, and Hefei.

Other party and government leaders and responsible persons of the pertinent departments of Anhui and Hefei present at the meeting with Zhao Puchu were Yang Yongliang, Shao Ming, Xu Leyi, Zhang Binglun, Yin Shuxun, Chen Guanglin, Zhong Yongsan, and veteran comrade Zhang Kaifan.

Jiang Chunyun Meets With Guangdong Delegation

SK0910073590 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 8 Oct 90

[Text] A 17-member Guangdong provincial investigation and visiting group to Shandong led by Lin Ru, secretary of the Guangdong provincial party committee, Wang Zongchun, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, and Vice

Provincial Governor Zhang Gaoli, arrived in Jinan on the evening of 7 October. That evening, Jiang Chunyun, secretary of the Shandong provincial party committee, Ma Zhongcai, member of the Standing Committee of the provincial party committee and secretary general, and Vice Governor Li Chunting met with the guests from Guangdong Province at Nanjiao Hotel.

On behalf of the provincial party committee and government, Jiang Chunyun extended a warm welcome to the guests for coming to the province to pass on their valuable experiences.

On the morning of 8 October, provincial leaders, including Jiang Chunyun, Zhang Qianjing, Ma Zhongcai, and Li Chunting held talks and exchanged views with the guests from Guangdong, and introduced our province's general basic situation and the situations in all fields of work during recent years to them.

During their stay in our province, the Guangdong comrades will also go to Jinan, Taian, Zibo, Weifang, Weihai, Yantai, and Qingdao to continue its observation and visit there.

Zhejiang Conference on Education of Party Line

OW0710122390 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 6 Oct 90

[Text] The Zhejiang provincial party committee and the Zhejiang Provincial People's Government have decided to carry out education on basic party lines in rural areas this coming winter.

The decision was made at the recent provincial conference for exchanging experiences gained from conducting basic party line education at selected rural units.

Shen Zulun, Xu Xingguan, Sun Jiaxian, and other leaders of the provincial party committee and people's government were present at the conference.

It is learned that education on basic party line has been carried out at 82 townships and towns in 62 counties and cities throughout Zhejiang by education groups headed mostly by principal local party and government leaders.

Guided by the party's basic lines, the resolutions adopted by the Fifth and Sixth Plenary Sessions of the 13th CPC Central Committee, and the guidelines set by the National Forum on Rural Work, they have educated the vast number of cadres and people on the socialist course, the direction of rural reforms, the spirit of self-reliance and arduous struggle, wholehearted services to the people, socialist ethics, and democratic and legal systems. Since the actual local situation was taken into consideration while carrying out the educational project, fairly good results have been achieved.

While endorsing the experiences gained from the areas where the pilot project was carried out, leaders of the provincial party committee and provincial governments

also urged all local authorities to heighten their awareness of the necessity of the educational project. They stressed that counties and cities which have not yet carried out the pilot project must do so as quickly as possible, train the needed personnel, and make ideological and organizational preparations for the coming project.

Central-South Region

Reportage Continues on Guangzhou Plane Crash

Tour Guide Recounts Hijacking

HK0510131490 Hong Kong WEN WEI PO in Chinese
5 Oct 90 p 2

[Report by WEN WEI PO news team: "Surviving Stewardess Recounts How Passenger Aircraft Was Hijacked"]

[Text] Guangzhou, 4 Oct (WEN WEI PO news team)—Chen Yunzhen, a stewardess and one of the three survivors of the nine-person flight crew of Airliner No. 8301, is in an orthopedics ward in the general hospital of the Guangzhou Military Region. She was comparatively slightly injured. She told reporters:

The hijacking took place 35 minutes after the plane took off. At that time, due to insufficient fuel, the plane was unable to fly to Taipei. The flight from Xiamen to Guangzhou usually takes 50 minutes. If the hijacking had taken place shortly after the plane took off, the crew commander would have decided to fly to Taipei. For this reason, the crew commander asked the hijacker whether he would allow the plane to land at Hong Kong's Kai Tak Airport to refuel before flying to Taipei. But the ruffian said: No. You must fly to Taipei or else we will all die together.

The other survivors are Lin Chongdi, an engineer, and Fang Xiaoping, another stewardess. Lin is in poor condition. The crew commander is not the same one who was hijacked to Taiwan on 10 May 1988.

In the same ward is Miss Yang Chi-hsin, a Yung Hang Travel Agency of Taiwan guide, who was the only survivor from a 20-person tour group. The reporters and the relatives of some Taiwanese victims paid her a visit. Miss Yang's left leg was broken and her face and hands were seriously injured. She lay in bed waiting for a blood transfusion.

Looking at her relatives from Taiwan, Miss Yang wept bitterly. Speaking disjointedly, she told her relatives how Airliner No. 8301 (from Xiamen to Guangzhou) was hijacked:

All our group members were seated from the second to the seventh row. Sometime after the plane took off, as I was going to the toilet, a man came out of the toilet. After I entered the toilet, I saw an electric wire on the ground. I felt it very strange and picked it up and handed it to a

flight stewardess who refused to take it. So I went up to the man and wanted to give it to him. He said: "I do not want it!" Shortly after I returned to my seat, I saw the man entering the cockpit. Then we all felt that something must have happened.

As I was sitting in a front row, I could hear the man telling the pilot: "You must fly to Taipei or else we will all die together." After we learned that the plane was hijacked, we anxiously told the crew: "For the passengers' safety, please fly to Taipei, please fly to Taipei."

At that time, the crew members told us passengers to sit as far as possible in the rear because the hijacker was armed with explosives. To prevent heavy injuries and deaths, we all went to the rear. I also made the members of our tour group sit in the rear, while I myself sat in the row in front of them.

After circling over Guangzhou for a long time, the plane began to descend slowly. Perhaps there was a fight in the cockpit, the landing was rather shaky. Then the plane began to taxi on the ground, and good news was spreading that the hijacker had been subdued. All passengers were so glad that they clapped their hands to hail the victory. Before we knew it, the plane suddenly went out of control and dashed in another direction. Then there was a blast and I fell unconscious. When I woke, I found many things covering my body and my hair was burning. There was also a fire burning my back. Later, I found myself in a sickbed and did not know how I was saved.

After I woke up, I asked about the situation of all the other group members. I told the doctors the names of all the 19 Taiwan compatriots and asked them to inquire about their whereabouts for me.

On the day of the incident, Li Peng came to the hospital to see us. I asked him to help me find the other 19 Taiwan compatriots as soon as possible and notify their relatives in Taipei. He said: We will do it as soon as possible. You just get better and do not worry. But so far, I still have not been informed about their situation. I did not see their relatives until now.

Measures on Handling Crash Aftermath

HK0610042090 Beijing CHINA DAILY in English
6 Oct 90 p 1

[By staff reporter Zheng Caixiong]

[Text] Guangzhou—Guangdong provincial authorities are speeding up efforts to cope with the aftermath of the crash of the hijacked Xiamen Airline plane at Guangzhou airport which resulted in 127 deaths on Tuesday.

According to an official of the Accident Handling Group under the provincial government, family members of the victims will be allowed to identify the remains of their relatives at a local funeral parlour beginning today.

The official also announced that there will be a cash compensation of 20,000 yuan (\$4,200) for each victim, payable to his or her family, and in case the victim was a foreigner or a compatriot from Taiwan, Hong Kong or Macao, another \$10,000 will be paid in addition to the 20,000 yuan.

The injured survivors of the accident will also receive appropriate cash compensation, in addition to the payment of their medical expenses, the official added.

"We fully understand the feeling of the families of the victims. But since this was such a major accident to occur in this country, it took time for us to sort out the debris and identify the remains of the victims," the official explained.

Investigators Play Down Taiwanese Anger

HK0710054890 Hong Kong AFP in English 0531 GMT 7 Oct 90

[Text] Beijing, Oct 7 (AFP)—Chinese authorities Sunday played down the outcry over their handling of Tuesday's crash of a hijacked airliner in Guangzhou, saying they had found harmony with the relatives of Taiwan victims.

In a phone interview, a spokesman for the Guangzhou crash response team said one of its officials had met Friday with Taiwan relatives who arrived the previous day to brief them on developments.

"Following the briefing, both sides understood each other," the spokesman said. "The relatives' anxiety has now been relaxed."

The meeting took place a day after State Council Secretary General Luo Gan met rescue workers in Guangzhou and expressed satisfaction with their handling of the situation, according to the local YANCHENG EVENING NEWS.

Nearly 130 people, including 30 from Taiwan, died when a hijacked Boeing 737 from Xiamen hit two aircraft on the ground at Baiyun Airport in Guangzhou on Tuesday.

On Saturday the executive secretary of Taiwan's tourism bureau, Chang Hsueh-lao, urged residents of the nationalist-ruled island not to travel to the communist mainland to protest Beijing's handling of the affair.

He also lashed out at Chinese officials for offering no more than 14,200 dollars in compensation to families of victims from Taiwan, Hong Kong and Macao—far less than the 75,000 dollars set by the Warsaw Convention.

Relatives and diplomats have also criticized Chinese authorities for not being more forthcoming with information about the crash, which cast a shadow over the Asian Games taking place in Beijing.

According to different accounts, the hijacker—armed with explosives—wanted to fly to Taiwan, apparently to seek political asylum.

Liu Peng-chun, deputy director of the Taiwan Bureau of Entry and Exit, said Taiwan would not grant asylum to Chinese hijackers in the future and would extradite them back instead.

Air Crash Report To Be Released

HK0810021890 Hong Kong MING PAO in Chinese 8 Oct 90 p 2

["Special dispatch": "An Initial Investigation Report on the Guangzhou Air Crash Indicates That the Airport Personnel Helping the Hijacker Buy a Ticket Have Been Detained"]

[Excerpt] A news report reveals that an initial investigation of the air crash at the Guangzhou Baiyun Airport on 2 October has been completed and will be announced in a day or two. The investigation report points out that some airport personnel helped the hijacker buy a plane ticket and get a check-in card; the airport personnel have now been detained by the authorities.

According to the investigation report, the Civil Aviation Administration of China instructed the pilot to fly the hijacked plane to any airport in or outside the country, but there are no explanations on who gave the instruction. The hijacker did not carry a gun, but detonated the explosives on his body during a fight with the crew members. [passage omitted]

Organs Release Hijack Probe Results

OW0910082490 Beijing XINHUA in English 0805 GMT 9 Oct 90

[Text] Beijing, October 9 (XINHUA)—The Guangzhou Aviation Administration Bureau and the Guangzhou Public Security Bureau released here today to the press the results of an investigation into the hijacking and destruction October 2 of Airliner No. 2510 of the Xiamen Airline Company.

The report revealed that the Boeing 737 took off from Xiamen in Fujian Province at 06:57 A.M. that day on a flight to Guangzhou, capital of Guangdong Province, when it was hijacked by a man while in the air.

According to surviving passengers and crew members, the man, who had been sitting in seat "d" of the 16th row, suddenly rushed toward the cockpit. Brushing aside a stewardess who tried to stop him, the man forced his way into the cockpit and ordered all crew members except the pilot to leave by threatening to detonate an explosive. He then ordered the pilot to fly to Taiwan.

Communications with the ground were cut for a while until the plane established contact with flight control at Guangzhou's Baiyun Airport.

To ensure the safety of the passengers and crew, the Guangzhou Aviation Administration informed the crew that the plane was allowed to land at any airport within or outside China's borders, including anywhere in Taiwan.

The pilot said that the plane only had enough fuel to reach Hong Kong, and the regional control office agreed that the plane could proceed to Hong Kong and refuel there before flying on to Taiwan. At the same time, it contacted the Hong Kong Aviation Administration department.

However, the hijacker did not agree to this arrangement and threatened to blow up the plane if it landed in Hong Kong. In the end, as the fuel was running out, the pilot made an emergency landing at Guangzhou's Baiyun Airport at 9:04 a.m.

As the plane taxied along the runway from north to south the hijacker attacked the pilot and the plane swung to the right, out of control. It collided with Airliner No. 2402 of the China Southwest Airways, which was parked in the parking area for passenger planes, ripping open its cockpit. It then collided with and destroyed another plane, Airliner No. 2812, which was waiting to take off on a flight to Shanghai, before it was itself burnt in the explosion of its oil tank.

In the cockpit of the hijacked plane two dead bodies were found after the fire was put out; one was that of Cen Longyu, the pilot of the plane, and the other bore an identification card in the name of Jiang Xiaofeng, male, born on August 11, 1969 in Linli County, Hunan Province. No trace of explosives was found.

According to the Public Security Department of Hunan Province, Jiang Xiaofeng was a resident purchasing agent in Changsha, capital of Hunan Province, for the Development Corporation under the Goods and Materials Bureau of Linli County. Jiang was taken into custody in September 1988 by the Linli County police on a charge of robbery. On July 13 this year he absconded with a sum of 17,000 yuan from his corporation and was being sought by the local police.

The Public Security Department of Guangzhou and civil aviation departments have dispatched agents to Linli County and Xiamen. Evidence collected so far corroborates the investigation's conclusions that the second body in the cockpit of the hijacked plane was that of Jiang Xiaofeng, and Jiang was the hijacker of Airliner No. 2510.

Guangdong Further Develops Township Enterprises

HK0710091490 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 6 Oct 90

[Text] The provincial party committee and government yesterday cosponsored a provincial meeting on work of township and town enterprises.

The provincial party committee deputy secretary, Guo Rongchang made a speech entitled: Seriously Sum Up Experience To Ensure a Sustained, Steady and Coordinated Development of Township and Town Enterprises. He pointed out: During the Seventh Five-Year Plan,

township and town enterprises in our province maintained a good tendency of sustained, steady, and balanced development and made increasing contributions to the state and society. Now there are 1.2 million township and town enterprises across our province. He also said: During the period of the Eighth Five-Year Plan, township and town enterprises of our province should give top priority to the development of the export-oriented economy as a strategic step. At present it is necessary to optimize the product mix, strengthen enterprise management, and improve economic results by relying on science and technology.

Provincial party committee Secretary Lin Ruo and provincial Governor Ye Xuanping delivered their speeches at the meeting as well. They pointed out: From now on, guidance should be given to the development of different types of township and town enterprises. Township and town enterprises in the Zhu Jiang Delta should be guided to develop high technologies and improve the quality of products. Continuous efforts should be made to run well enterprises in the coastal areas which process with supplied materials, drawings, and samples and assemble with supplied parts through compensation trade. Township and town enterprises in mountain areas should lay emphasis on afforestation and fruit growing, cultivate natural resources, do well intensive processing, services, and unclog the channels of circulation.

Chen Huiguang Attends Commendation Meeting

HK0610061290 Nanning Guangxi Regional Service in Mandarin 1130 GMT 3 Oct 90

[Excerpts] A regional meeting to commend advanced civil administration assistants of townships and towns was held in Nanning from 29 to 30 September. Experience in how to be a good civil administration assistant in the new period was summed up and exchanged, and 179 advanced civil administration assistants of townships and towns, including Huang Hanhui and Meng Chunlu, were commended at the meeting.

This meeting to commend advanced civil administration assistants of townships and towns is the first since the founding of our country 41 years ago.

Party and government leaders of the autonomous region, including Chen Huiguang, Cheng Kejie, Tao Aiyang, and Long Chuan were present to meet representatives of the meeting. Vice Chairman Long Chuan spoke at the meeting.

Southwest Region

Sichuan Province Grain Production Increases

HK0910072790 Chengdu Sichuan Provincial Service in Mandarin 1015 GMT 6 Oct 90

[Text] This year, our province's grain production registered a big increase compared with last year. Until now, our province has harvested and placed in storage 36.9

billion kilograms of grain sown in early and late autumn, which accounts for 85.5 percent of the estimated grain output.

The grain production in seven autonomous prefectures registered an all-time high. This year, party and government departments at all levels have strengthened leadership over agricultural production in terms of manpower, funds, technology, goods, and materials. At the beginning of this year, the provincial government held a conference on rural work, which made specific arrangements for and implemented farm crop growing area and production-related technological measures and set up a leading group for scientific and technological promotion of agricultural development with a view to popularizing and applying science and technology in agriculture. Between last winter and this spring, the whole province carried out large-scale farmland capital construction whose momentum produced results unseen over the past 10 years. Our province transformed 2.52 million mu of low-yield and middle-yield farmland, increased, restored, and improved an irrigated area of more than 5 million mu, and at the same time, generally improved crop strains. The amount of hybrid rice and hybrid corn supplied exceeded 100 million kilograms while the amount of chemical fertilizer supplied registered a 16.8-percent increase over last year, thus basically meeting the peasants' demand for strains, chemical fertilizer, farm chemicals, and [words indistinct].

In the meantime, technology contracting propelled by the harvest program also witnessed a further development. Various institutions of higher learning and scientific and technological research institutions across the province also carried out technology contracting in accordance with their respective specialties. Various provincial departments and bureaus also selected and dispatched cadres to the grass-roots level to help (work) there. This year, more than 80,000 cadres and scientific and technological personnel went to the rural areas to participate in scientific and technological promotion of agricultural development, representing a 50-percent increase compared with last year. Some 56.6 million mu of farm and economic crops have been contracted. Some 30.11 million yuan has been invested to facilitate this process. New farming technologies, such as raising crop seedlings at fixed temperature and [words indistinct] have also been applied to crop growing, thus greatly pushing ahead with our province's grain production development this year.

Official Views Tibet's Development, Unity

HK0510143790 Hong Kong TA KUNG PAO in Chinese
1 Oct 90 p 2

["Special dispatch" by TA KUNG PAO special correspondent Lin Ning (2651 1337): "Han and Tibetan Nationalities Should Unite To Seek Joint Prosperity—Interview With Tibet Autonomous Region's Vice Chairman Mao Rubai"]

[Text] Lhasa, 30 Sep (TA KUNG PAO)—The slow-running, limpid waters of the Lhasa He reflect the inverted images of snowy mountains and the golden pinnacles of temples and monasteries. Together with the motherland, the city of Lhasa, with its myriad of national flags, is ushering in the first National Day of the 1990's.

New Upsurge in Economic Development

In the middle of the office building of the people's government of Tibet Autonomous Region stands a giant glazed ceramic fresco depicting the Potala Palace towering high on the hills. The morning sunlight shines bright on the Han-type golden hall, garret, and pavilion on its top floor.

Mao Rubai said with a beaming smile: "The fresco, which is called 'Potala Palace in the Morning Sun' can just delineate the reality in Tibet. With the Tibetan and Han nationalities united as members of one family and the motherland, a golden harvest has been brought to Tibet."

From a feudal slave society, Tibet has leapt across several historical stages in 40 years. Our development today is something hard to understand by people abroad but is nevertheless a reality. The reform and open policy, in particular, have enabled Tibet's construction to scale to a new level.

He said: The period between last year and now has been one of the best in the history of Tibet's development. In 1989 its total output value reached 2,864 million yuan, an increase of 2.6 times over 1980 or an average annual growth rate of 86 percent [as published]. Its foreign economic relations and trade, as well as international tourism, have also made considerable progress, with the level of foreign exchange earnings rising year by year. At present, its total import and export volume has reached 130 million yuan, earning \$13 million in foreign exchange or increasing by 5 times in 10 years. Income from international tourism has also exceeded 56 million yuan.

Agriculture and animal husbandry, which have nationality characteristics, have developed quite rapidly. With total grain output at 530,000 tons last year, Tibet set the best record in local history, ending a situation of stagnation in grain production for the past dozen years or so. The output of livestock products rose by 1.6 times over 10 years ago; the per capita income of herdsmen was 397 yuan in 1989, an increase of 1.5 times over the 1979 figure, which was 157 yuan.

What is most gratifying is that Tibet has succeeded in reversing the long-standing situation of relying on central government subsidies and always being minus in financial revenue. Its financial revenue rose from 2.25 million yuan in 1988 to 13 million yuan last year. This shows that there has been a good momentum in Tibet's economic development and that Tibet has started to have its own accumulation.

"Of course, compared with some developed regions or interior cities in the coastal zone, these figures are still very low but, as far as Tibet is concerned, which has just moved from a closed economy of a nomadic type, this cannot but be regarded as a leap transcending stages."

Support and Help From Preferential Policies

Looking through the window into the rolling, lofty mountains, Mao Rubai seemed lost in thought. He said in a deep voice: "The waters of the Yarlung Zangbo Jiang never end because they come from the vast melting snow on the Himalayas. The achievements in Tibet's development are also inseparable from the preferential policies of the state and the support of the motherland."

He especially mentioned that, to help and support development in minority nationality areas, the state has implemented a special policy under which peasants own lands for independent operations, herdsman breed their own livestock, and individuals dispose of their own products without having to pay taxes. This has played an important part in Tibet's economic development. Moreover, the central government has also lent enormous support to Tibet's economic construction in terms of manpower and financial and material resources. On the average, the allocations to Tibet's finances exceed 900 million yuan a year, not including direct investment projects in Tibet by the central government.

He said: The state has invested 800 million yuan to transform the Qinghai-Tibet highway, the main highway linking Tibet with the interior. With the 1,800 km of sandy and stony road paved with asphalt, the transport capacity of the highway has been greatly raised. Since Tibet relies on this highway for 90 percent of its transport, the transformation of this highway has strengthened Tibet's links with the motherland. Meanwhile, China has also started transforming the highway leading to Nepal. The project started two years ago and asphalt has so far been paved on 120 km of highway to meet the grade-3 standard. The expansion project of Lhasa airport, which includes the building of a standard runway and an airport lounge, is also being expedited and is expected to be commissioned next year. At that time, big Boeing 747 passenger aircraft can land or take off directly.

Engaging in Independence and Retrogression Will Lead Nowhere

In energy construction, the state has invested in and built the nation's first geothermal experimental power station with an installed capacity of 26,000 kilowatts. Tibet's biggest project, the Yangzho Yumco power station also runs smoothly, with 200 meters of the main tunnel having been excavated. The first-phase installed capacity is 90,000 kilowatts.

"All this eloquently shows that Tibet is inseparable from the motherland. If Tibet is 'independent,' it will only retrogress to the feudal slave society. Backtracking will

lead nowhere and the Tibetan people, numbering over 2 million, will never agree to this."

In reply to this reporter's question on the current situation in Lhasa, Mao Rubai said: The current political and social situation in Tibet is stable. Although some separatist forces from abroad are still engaging in penetration and sabotage, the Tibetan masses, having gained practical economic benefits, are unwilling to return to the slave status. He stressed the need to step up education in the concept of unification of the motherland, grasp the nationality and religious policies well, and reduce errors in work. In his view, the next five to 10 years are a crucial period in Tibet's economic development. We must adhere to the policy of deepening the reform and continue opening up, making breakthroughs in key areas, paying attention to efficiency, and making steady development in order to develop the economy. The steady development of the economy is the basis of social stability.

As for the Dalai Lama, Mao Rubai said that the central policy has been consistent. As long as the Dalai Lama gives up his splittist stand and return to the stand of unification of the motherland, the central government is ready to talk and meet with him at any time. It also hopes that he can understand the overall situation and, together with the Tibetan people, build a new, prosperous Tibet of the motherland.

North Region

Xing Chongzhi Talks With Student Delegates

SK0510115990 Shijiazhuang HEBEI RIBAO
in Chinese 30 Aug 90 p 1

[Dispatch by Ma Junlan (7456 0193 5695) and Kang Enhua (1660 1869 5478): "Forum Joined by the Representatives From the Students' Federations and the Provincial Leading Personnel Who Encourage Them To Study Hard and To Vigorously Engage in Practice"]

[Excerpts] "Ordinarily we have few opportunities to meet each other, and I wish to take the opportunity of today's forum to listen to your opinions and ideas on the one hand and to learn something from you on the other hand." These are the wishes voiced by Xing Chongzhi, secretary of the provincial party committee, as soon as he met the 11 students at 2000 on the evening of 28 August, who are attending the seventh provincial congress of students' federations.

Also attending the forum with joy were Li Bingliang, deputy secretary of the provincial party committee; and Chen Yujie, member of the provincial party Standing Committee and director of the organizational department under the provincial party committee.

Amid the lively atmosphere at the forum, Zhou Yanfei, a delegate from Hebei University, first voiced his opinions in which he stated that the priority task for enhancing the political and ideological work among

higher educational institutions is to upgrade the quality of personnel who are in charge of political education. [passage omitted]

The subject discussed, by the participating students at the forum, was the significance of participating in social practice. [passage omitted] Zhao Lei, a delegate from Hebei Provincial Normal University, stated at the forum that there are four advantages for college students to join in social practice, which are as follows: 1) They are able to observe society and to learn about its life and are able to use their special knowledge in society; 2) they are able to directly hear the aspirations voiced by the broad masses of workers and peasants; 3) they are able to get rid of their own shortcomings and to enable themselves to become more mature; 4) they are truly able to travel the road of growing up to be useful, along which they have integrated themselves with workers and peasants.

After hearing the opinions raised by the participating students at the forum, Xing Chongzhi and Li Bingliang delivered speeches. [passage omitted]

In his speech, Xing Chongzhi encouraged the students to master much scientific and cultural knowledge in line with the needs of the state and the people. He stated that the correct outlook on life is the fundamental force of study. College life is a crucial period in which students can define their outlook on life and students should pay attention to going in for self-cultivation in ideology and morality and gradually fostering the correct purpose of study. Only by so doing can they upgrade their consciousness of study. He urged students to enthusiastically participate in the activities of social practice and to consolidate and improve their learned knowledge in the course of social practice. Attention should be paid to opening more avenues of practice and going to enterprises, rural areas, and localities no matter whether the conditions are good or bad. Backward areas need talented personnel more urgently, thus, he urged students to be able to enhance their sense of responsibility and to arouse their enthusiasm of study through the activities of making fact-finding tours and obtaining experiences in these areas.

Inner Mongolian Leader Buhe Interviewed

HK0510153090 Beijing LIAOWANG in Chinese
No 39, 24 Sep 90 pp 11-13

[Article by Ling Guangzhi (0407 1639 1807) and He Yanping (0149 4291 1627): "Inner Mongolia's Golden Age—An Interview With Buhe, Chairman of Inner Mongolian Autonomous Regional Government"]

[Text] The first spring of the 1990's brought a series of invigorating news items from the Inner Mongolian grasslands: Dozens of nationally renowned key projects in energy, transport, and chemical industries had either been completed or started construction, it had been a bumper season for animal husbandry, and bumper agricultural harvests were in sight. An air of solidarity and good prospects filled the thousands of square miles of

grassland. Toward the end of July at the bumper harvest-celebrating Nadamu Rally in Xilin Gol League, Inner Mongolian Autonomous Regional Government Chairman Buhe, while on his way to the eastern region to conduct a working tour, gave a special interview.

Nationality Unity and Border Tranquility

Reporter: From beginning to end the Inner Mongolian Autonomous Region has remained stable and unified. What, in your view, are the main causes and what is their significance?

Buhe: Realizing stability and unity in our region carries a special significance. Inner Mongolia, 1.18 million sq km in area and situated on the motherland's northern border, is a neighbor to the "three northeast provinces," shares with Mongolia and the Soviet Union a 4,200 km borderline, and has therefore a very important strategic position. Inner Mongolia was the first to practice regional nationality autonomy. It is a region populated mainly by the Han people and has developed on the basis of Mongolian settlements. Within the autonomous region are also minority nationalities such as Oroqen, Dahaner, Ewenki, Muslim, Manchu, and Korean people. That is why properly handling unity among the different nationalities in the region, and doing a good job in various projects, means so much for the stability and prosperity of Inner Mongolia. Moreover, it has a critical bearing on the motherland's border tranquility and overall national stability. The reasons why Inner Mongolian Autonomous Region has preserved stability and unity over such a long period are varied. The first and most important of all is adherence to party leadership and a resolute enforcement of various party directions and policies concerning nationality work. In the 40 years since the region's establishment, every party and government leadership has given first priority to strengthening nationality unity. This has been regarded as a political mission. In specific work, every leadership has paid special attention to strengthening party leadership over nationality work and educating the masses in Marxist-Leninist nationality theories and the party's nationality policy, with the purpose of making people grasp some basic concepts through a combination of theory and practice. Through study, education, and training, cadres, intellectuals, and youths of all nationalities will slowly acquire a Marxist nationality viewpoint; their judgement as to right or wrong will be strengthened, and, through practice, their consciousness to implement party nationality policy will heighten.

Second, the Inner Mongolian Autonomous Region has been fairly steady and reliable in implementing party policy. Party committees and governments at all levels have all paid attention to Mongolian practical conditions and have carried out party policy in a creative manner. For example, in launching the household contract responsibility system which pegged reward to output, they initiated a double contract responsibility system for grass and animals, which played a great role in promoting the animal husbandry economy. In intellectual

policy they have adopted some special policies, with the result that the large number of scientific and technical cadres provided for our region by the state in the 1950's have been treated relatively well, have been able to work in their special fields, and some of them are now leaders in their units. There has not been much fluctuation in religious policy. The living Buddha and lamas all love their religion as well as the country and support the socialist system.

Reporter: Inner Mongolia is one of the regions with a relatively good implementation of regional autonomy and has been able to combine unification and autonomy, national interests, and nationality regional interests. Could you tell us something about this?

Buhe: A comprehensive implementation of regional nationality autonomy is an important measure to guarantee and advance nationality unity and border stability. Our region is now pressing ahead with revising the "Inner Mongolian Autonomous Region's Regulations on Autonomy (Draft)" for early promulgation. In practical work, we pay attention to the enforcement of nationality policy and solving in a prompt manner the living and working problems in nationality banners, nationality towns, and scattered minority nationalities while making sure that we have a whole and integrated concept: On the one hand, safeguarding the legal interests of minority nationality regions and the inhabitants in the regions, so that they can fully exercise their autonomous rights; and, on the other hand, we must do things by law and ensure that the state constitution, party policy, and State Council's laws and rules and regulations are enforced and implemented in the autonomous region. In short, I think people should first passionately love the motherland and give first priority to the motherland's overall interests, while simultaneously taking care of the specific interests of nationality regions. Only thus can we maintain social stability and safeguard the unification of the motherland and nationality unity.

Prepare To Welcome the Second Golden Age of Economic Construction

Reporter: The state has in recent years launched a batch of key projects in Inner Mongolia. Could you tell us something about the conditions in this aspect and their significance?

Buhe: In the next two years, and in the coming decade as a matter of fact, the state will invest billions of yuan in Inner Mongolia, laying an infrastructure there which includes energy and transport development. Industries currently under key development are mainly coal, electricity, petroleum chemicals, and railway transport.

Coal is one of our key resources to exploit. Surveyed coal reserves and potential reserves rank second in the country. Current surveyed reserves are 217 billion tons, about one quarter the national surveyed reserves. We have a complete range of types of coal, most of which are fit for the open extraction method. Of the five great

opencut mines in the country, four are in Inner Mongolia. Zhungeer [0402 2706 1422] coalfield, the largest in the 40 years of our country's coal industry, started operation in the first half of the year, bringing life to the long silent Eerduosi Plateau. The coal-electricity-transport package project will require 4.15 billion yuan in gross investment. The first-phase construction, when completed, will include Heidaigou large-scale opencut mine with an annual production capacity of 12 million tons, a coal-cleansing plant, a power plant with 200,000-kw installed capacity and a 215-km electrified railway to be in operation in 1993. Dongsheng coalfield will also have an opencut mine with an annual production capacity of 5 million tons. At about the same time, Huolinhe opencut mine will see its production capacity boosted to the 3 million-ton level and further to 10 million in 1992. Large-scale opencut mines, such as Yiminhe and Yuanbaoshan, are also either under construction or in operation. By 2100 Inner Mongolia will become China's second largest coal base.

Along with coal development, electricity construction will pick up speed. The installed capacity of the power plants in regions around Yiminhe and Dalate is above 1 million kw. By 1995, Inner Mongolia's power generation volume will double to 30 billion kwh and, by 2000, Inner Mongolia's power installed capacity will reach 15 million kw or above, nearly five times the current level.

Regarding the petrochemical industry, the Erlian Oil Field has developed an annual production capacity of nearly 1 million tons of oil. It produced 300,000 tons of oil last year. On this basis, it will produce 900,000 tons this year. This has changed the history of not having any oil production in this region. The oil pipeline from Aershan to Saihantala, which is 378 km long, has begun to operate smoothly. The construction of the Huhehaote Oil Refinery, capable of producing 1 million tons of refined oil a year, has already started and the design for the construction of the Inner Mongolia Chemical Fertilizer Factory, capable of producing 300,000 tons of synthetic ammonia and 520,000 tons of urea annually, has basically been completed and the project has been entered in the list of state projects using foreign loans. The Chaganruoer Alkali Mine on the Xilinguole Grassland is the largest natural alkali enterprise in our country. It is capable of producing 50,000 tons of sodium bicarbonate, 50,000 tons of caustic soda, and 30,000 tons of mirabilite soda a year. It has now been put into trial production in an all-around way. When it is put into normal operation in 1992, it will be capable of realizing 100 million yuan of profits and taxes a year. This will play a gigantic role in promoting economic development on the Xilinguole Grassland.

In railway and communications construction, the Baotou-Shenmu Railway, for transporting coal from the Eerduosi Plateau to other areas, opened to traffic in April last year. The construction of the Fengzhen-Zhungeer Railway started in May this year. It will be completed in 1993 for coal transportation. The double-track Datong-Baotou Railway was put into operation on

10 March this year. The construction of the Jining-Tongliao Railway, which will be over 900 km long and the longest local railway in our country, has also started.

These basic energy and communications facilities will certainly change the face of Inner Mongolia.

Reporter: Some comrades say that the construction of these major projects indicates the coming of the second golden age for economic construction in Inner Mongolia. Would you please explain this?

Buhe: There is an ancient and beautiful story in Inner Mongolia. It says that once upon a time, there was an iron cabinet hill on the Mongolian grassland. The treasures in the iron cabinet could be gathered only when the key was found. The construction of these major projects is just like the key for opening such an "iron cabinet." In the 1950's, the construction of several major projects in Inner Mongolia played an important role. Owing to the development of the Baotou Iron and Steel Complex and the first and second machine building plants of Inner Mongolia, some handicraft workshops and places for collecting and distributing furs and leather in Baotou, inhabited by about 70,000 people, were turned into heavy industrial sites. This brought about a great industrial development in Inner Mongolia and put an end to the history of "regarding fixing horseshoes as heavy industry and tailor's shops as light industry." The scale of the current major projects is much larger than in the 1950's. They will certainly bring about greater benefits to the Inner Mongolian people and push the Inner Mongolian economy to a new stage. In other words, it means the second golden age for economic development in Inner Mongolia.

Reporter: What is the autonomous region's plan for development of animal husbandry and agriculture?

Buhe: The guiding ideology for Inner Mongolia to work out various policies is to seek truth from facts and to suit measures to local conditions. The main economy of the Inner Mongolian pastoral areas is animal husbandry. Since the Third Plenary Session of the 11th CPC Central Committee, the system of contracted responsibility on a household basis has been implemented on the grassland. It has mobilized the enthusiasm of herdsmen in production. At present, the broad masses of herdsmen are enthusiastically building grass storehouses, digging wells, building roads, growing grass and trees, and raising animals in a scientific and constructive way. They are trying to change the traditional and backward way of raising animals. Last year, there were over 47.5 million head of animals in our region, the highest total in history. The per capita income of the herdsmen reached 1,038 yuan. The good trend of development has been continued this year.

To realize self-sufficiency in grain supply is one of the three short-term targets of the Inner Mongolia Autonomous Region. In agriculture, some fertile areas in Inner Mongolia, such as the Hetao irrigation area, the Xiliaohu irrigation area, and the southern foot of Daxinganling,

can be further developed and used and the 50 million mu of medium and low yield land can be further improved. We must make great efforts to continue to do a good job in developing and serving agriculture while improving the medium and low yield land. Thus, through our efforts during the next few years, it is entirely possible for us to realize self-sufficiency in grain supply. We must also strive to make certain contributions to the state in grain production.

Further Reform and Open Up, Make Use of the Geographic Advantage To Develop Economy

Reporter: How will Inner Mongolia make use of its advantage of being contiguous to the Soviet Union and Mongolia to further carry out reform and open up?

Buhe: Reform and opening up have brought new vitality to the nationality areas. The remote nationality and border areas must take a wider step forward in opening up to the outside world. For historical reasons the border areas of Inner Mongolia, which are contiguous to the Soviet Union and Mongolia, have not been well developed. In recent years, with the relaxation in bilateral relations, a new vitality has appeared along the long boundaries which was never seen before. Border trade has been developed from trading on a barter basis to cooperation in labor and science and technology and the establishment of joint venture enterprises. In 1983, border trade between Inner Mongolia and the Soviet Union was restored. Transactions that year totaled 2.73 million Swiss francs. Last year, the total volume of border trade, barter trade, and import and export trade reached 196 million Swiss francs, or \$121 million. For the first time the region's total export volume was higher than \$300 million, reaching \$336 million. New successes were also achieved in using foreign funds and in economic and technological cooperation. Some \$66 million in foreign funds were used in developing the Hetao irrigation. Improving the grassland, the Zhungeer Coal Mine, and the Jining-Tongliao Railway are all large projects using foreign funds.

With the approval of the State Council, our region established two experimental zones for economic reform in Hulunbeier League and Wuhai in 1988. The import and export volume for the Hulunbeier League's border trade with the Soviet Union reached 76.59 million Swiss francs last year, comprising 39 percent of the region's total border trade volume.

Apart from Erlian and Manzhouli, the State Council has recently approved the construction of two new ports, Heishantou and Baowei in Erguna Youqi of Hulunbeier League, and the opening of four smaller ports. At present, there are altogether eight ports in our region for economic and cultural exchange with the Soviet Union and Mongolia. The contacts between China and Mongolia especially have been developing rapidly. Recently, the Mongolian Consulate General, which had been recalled 20 years previously, was reestablished in Huhehaote. Some agreements on helping Mongolia to build

paper mills and restaurants and grow vegetables have become effective. There are also increasing nongovernmental contacts between China, the Soviet Union, and Mongolia.

Recently, our region has not only worked out a series of preferential policies for developing joint venture enterprises with foreign firms but has also made great efforts to improve the investment environment. Posts and telecommunications have also been greatly developed. The Ulaanbaatar-Huhehaote-Beijing international airline will soon be opened.

In short, reform and opening up is an unchangeable trend. With the further development of opening up, Inner Mongolia will certainly take on a new look in the economic, cultural, and ideological fields. The Inner Mongolia Autonomous Region has great potentialities and a bright future. We have full confidence in this.

Shanxi Province Signs 385 Import Contracts

*OW0510122790 Beijing XINHUA in English
0853 GMT 5 Oct 90*

[Text] Taiyuan, October 5 (XINHUA)—Since China's opening to the outside world, northern Shanxi Province has signed 385 import contracts involving 5 billion yuan, according to an official from the provincial government.

Among them 294 projects, accounting for 76.4 percent of the total, are now operational. Output value has increased by 1.7 billion yuan, and the pre-tax profits have increased by 447 million yuan.

Since 1979 the province has established trade relations with more than 30 countries and regions, including the United States, Japan, Federal Germany, Britain, and Switzerland.

Northwest Region

Zhang Boxing Speaks at Rural Work Conference

*HK0610082990 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 6 Oct 90*

[Text] A provincial rural work conference opened in Xian on 5 October, at which the provincial party committee Secretary, Zhang Boxing, delivered an important speech.

In his speech, Zhang Boxing pointed out: Since the founding of the People's Republic, and especially in the 10 years of reform, our province has achieved marvelous successes in its rural work and the agricultural situation is now developing in a favorable direction. The development of the agro-economy has laid a fairly good foundation for maintaining and developing the province's overall situation. However, we should see with sober-mindedness that the basic conditions for agricultural production have not been substantially improved and there is still a lack of sustained growth. This merits our high attention. Zhang Boxing also noted that the position

of taking agriculture as the foundation of the national economy is very important to us. Leaders at various levels should give top priority to agriculture, and particularly party committees at the prefectural and county levels should concentrate their main efforts on the development of agricultural production and should in no way ignore the principle of taking agriculture as the foundation of the national economy. Leaders should truly incline toward agriculture when making policies, guarantee a relatively large amount of financial expenditure for agriculture, try to increase the input of money, materials, technology and manpower in agriculture, and strengthen the staying power of agricultural development. At the same time, all localities should put scientific and technological advancement on a very important place and make unremitting efforts to ensure a sustained and steady agricultural development by relying on scientific and technological advancement. Zhang Boxing emphasized that the first thing we have to do in agricultural development is to substantially increase grain production; while expanding grain production, we should also actively engage in diverse economic undertakings and vigorously develop township and town enterprises. Only by developing them in a balanced way can we lay a solid foundation for the national economy as a whole. Zhang Boxing pointed out: In deepening the rural reform at present and in the near future, we should attach importance to two points: One is to stabilize and improve the double-tier operation system whereby household separate management is combined with the management of collective enterprises; the other is to energetically develop different forms of service organization based on unified management services and to intensify the functions of the state departments concerned for serving agricultural production and the rural economy so as to gradually establish a criss-cross socialized service system. Zhang Boxing said in conclusion: To push the progress of rural work as a whole, it is necessary to strengthen party leadership, consolidate primary party organizations in rural areas and organize all social forces to form a powerful force so that all professions and trades will offer more substantial support to agriculture, the entire party and the whole people will create a new situation for going in for agriculture in a big way and agriculture of our province will develop in a sustained and steady way.

Governor Bai Qingcai presided over the conference.

Attending it were Zhang Ze, Li Xipu, Zhou Yaguang, Mou Lingsheng, An Qiyuan, Zeng Yuming, Li Huanzheng, (Man Jianfeng), Sun Daren, (Wang Guangbi) and other provincial party and government leaders.

Shaanxi Steps Up Party Building Work

*HK0610070490 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 4 Oct 90*

[Text] Since the Fourth Plenary Session of the 13th CPC Central Committee, party organizations at all levels in our province have conscientiously implemented the

spirit of the plenary session, concentrated efforts on strengthening party building, and achieved gratifying results in party building work.

Party committees at all levels have generally attached importance to and strengthened party organization building work at the grass-roots level. Party committees at all levels in our province, especially prefectural, city, and county party committees, have placed party building work high on their work agendas, set up 6,364 party building work liaison points, and rectified and readjusted the grass-roots party organizations which are incompatible with the demands of the present situation and task by strictly adhering to the basic line of one center, two basic points. By the end of the first half of this year, more than 5,000 party branches in the rural areas had been rectified, accounting for 15 percent of the total number. More than 15,000 party branches in the rural areas had been enforced and strengthened. Through rectification and readjustment, a batch of backward branches witnessed a fundamental turn for the better. The fighting bastion role of party branches was strengthened. The leadership building of grass-roots party committees also made new progress.

On the basis of examination and screening, our province has carried out a comprehensive appraisal of more than 4,850 grass-roots party committees and their leaders and reinforced and readjusted these party committees through re-election, thus strengthening their overall capacity. The work of educating and managing party members has been further strengthened. Party committees at all levels in our province have further improved and perfected the party organizational system at the grass-roots level and the party member management and education system. Most of the townships and towns and some enterprises and undertakings across our province have now set up their own spare-time party schools. Since last year, various prefectures, cities, counties, and some units have carried out a general training of party members and party branch secretaries in rotation. A (four-level) [as heard] audiovisual education network covering provincial, prefectural, city, county, and township levels has been basically formed. Now various counties, cities, prefectures, and over 50 percent of townships and towns have been equipped with audiovisual education facilities, which have played an important role in the education of party members.

Tomur Dawamat Addresses United Front Meeting

OW0710063190 Urumqi Xinjiang Television Network
in Mandarin 1400 GMT 6 Oct 90

[By station reporter (Chen Junzhi); from the "Xinjiang News" program]

[Text] [Video opens with a long shot of a meeting hall showing leaders seated at a long tables while others are seated at rows of long tables facing the leaders] A regional meeting on united front work took place in Urumqi today. Among those attending the meeting were Song Hanliang, Tomur Dawamat, Li Shoushan, Zhang Sixue, and other leaders from the regional party committee, People's Congress, government, committee of the Chinese People's Political Consultative Conference [CPPCC], and production and construction corps. [After a pan shot of the leaders, video shows Tomur Dawamat speaking] Tomur Dawamat, deputy secretary of the regional party committee and chairman of this autonomous region, pointed out in his speech that upholding the party's leadership is the fundamental guarantee for consolidating and developing the broadest patriotic united front. [Video gives pan shots of other participants] Tomur Dawamat said: Under the party Central Committee's correct leadership, party organizations at all levels, all departments, and units, and comrades in the entire party unremittently must carry out the principles and policies formulated by the party Central Committee with regard to the united front. They should see the importance, necessity, and protracted nature of the party's united front from a strategic viewpoint. Party organizations at all levels should strengthen their leadership over united front work, hold high the banners of socialism and patriotism, unite all forces that can be united, and further consolidate and develop the patriotic united front to serve the purpose of maintaining political stability and unity, promoting socialist modernization and the drive of reform and opening to the outside world, improving socialist democracy and the legal system, and achieving the peaceful reunification of our motherland based on the concept of one country and two systems. Every effort should be made to fulfill the tasks that the party has set for united front work.

[Video shows (Qin Guosheng) speaking] (Qin Guosheng), deputy director of the General Office of the United Front Work Department of the party Central Committee, spoke at the meeting. On behalf of the United Front Work Department, he called for earnestly studying Comrade Jiang Zemin's speech at the national united front work conference and grasping the guidelines established at that conference.

[Video shows Ba Dai delivering a speech] Ba Dai, member of the Standing Committee of the regional party committee and chairman of the regional CPPCC committee, spoke on the guidelines of the national united front work conference.

Xinjiang Reports Good Agricultural Harvest

OW0910084890 Beijing XINHUA in English
0730 GMT 9 Oct 90

[Text] Beijing, October 9 (XINHUA)—The Xinjiang Uygur Autonomous Region reported another good harvest this year, the "PEOPLE'S DAILY" reported today.

The multi-national area in northwest China has had bountiful farm harvests and animal husbandry production for 11 years running.

According to statistics, the output of grain, cotton, edible oil, beet and livestock this year is up four percent, 18.5 percent, 4.7 percent, 68.9 percent and 2.8 percent, respectively, over last year.

The national newspaper attributed the results to favorable weather conditions and attention paid by local governments to increasing sowing areas, funds and chemical fertilizer.

More than 8,000 agrotechnicians in the region have been sent to rural areas to help farmers boost production.

'Roundup' Views Contacts Across Taiwan Strait

OW0510230890 Beijing XINHUA in English
1556 GMT 5 Oct 90

["Roundup: Contacts Increasing Across Taiwan Strait"—XINHUA headline]

[Text] Beijing, October 5 (XINHUA)—In the past few years great changes have taken place in the relationship between the two sides of the Taiwan Strait, away from the former conditions of total isolation from each other.

Since the Taiwan authorities started to allow visits to relatives on the mainland in November 1987, the total number of Taiwan compatriots coming for family visits, tourism or business has surpassed 1.6 million; this year alone, the figure is expected to hit one million.

Among them were not only ordinary people but also high-ranking officials such as "legislators" and members of the Central Committee of the Kuomintang, the ruling party on the island province.

In addition, big developments have been observed in cultural, sporting, scientific, technological and academic exchanges between the two sides of the strait.

In July this year, a symposium on trade and investment across the strait was held in Beijing. It was attended by more than 700 people from industrial and commercial circles in Taiwan.

During the 11th Asian Games more than 1,400 athletes, visitors, singers, dancers, theatrical performers and journalists came from Taiwan to attend the event.

Meanwhile, in September representatives of the Red Cross societies on the two sides of the strait met in Quemoy to discuss work concerning repatriation issues.

In economic and trade relations, great strides have also been made. The total volume of indirect trade between the two sides in 1979 was just 80 million U.S. dollars-worth, while that in 1989 amounted to 3.48 billion U.S. dollars-worth, an increase of more than 40 times in ten years.

By the end of the first quarter of this year Taiwan compatriots had invested in more than 1,100 enterprises on the mainland, with total investment topping 1.1 billion U.S. dollars. These Taiwan-funded enterprises are mainly in the coastal areas of Fujian and Guangdong Provinces, and are involved in light industry, chemicals, construction materials, foodstuffs, aquatic products, machinery and agriculture.

Some consortiums in Taiwan have sent representatives on fact-finding tours, and some of them have shown interest in developing land in the coastal areas of the mainland.

Public opinion holds that economic and trade exchanges between the two sides of the Taiwan Strait tally with the common interests of the people on the two sides, and the

prospects for their future economic and trade co-operation will be better if the two sides take a sincere attitude toward such co-operation.

It is known to all that the mainland in 1979 proposed the exchange of mails, trade, air and shipping services between the two sides of the strait and has since taken many concrete measures to develop such exchanges.

This June, Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), made a speech touching on the Taiwan issue at a national united front work meeting in Beijing. In it he reiterated the policy of peaceful reunification of the motherland, and "one country, two systems", and the stand of holding party-to-party talks between the CPC and the Kuomintang.

Not long ago, President Yang Shangkun also touched on the policy of peaceful reunification of the motherland as well as development of contacts between the two sides of the Taiwan Strait and realization of exchanges of mails, trade, air and shipping services between the two sides while meeting the editor-in-chief of the "CHINA TIMES", a Taiwan newspaper.

These remarks aroused strong repercussions at home and abroad.

In recent years, subject to both internal and external pressure, the Taiwan authorities have adjusted their policies toward the mainland and gradually relaxed some restrictions on contacts between the two [word indistinct] the strait.

However, they still refuse to allow direct exchanges of mails, trade, air and shipping services and have placed various obstacles in the way of visits to Taiwan by compatriots from the mainland.

Recently, some people in Taiwan's ruling circles have advocated "cooling down" or "retrenching" contacts between the two sides of the strait. The economic and trade departments in Taiwan have also put forward the so-called "six-point principles" which are aimed at restricting and impeding economic and trade exchanges between the two sides of the strait. All this goes against the common will of the divided compatriots. It is a general trend and popular feeling that the relationship between the two sides of the Taiwan Strait must become closer so that the great cause of reunifying the motherland will be realized. If the Taiwan authorities continue to ignore this historical trend, they will land themselves in a more passive condition.

Taiwan Repatriates Mainland Residents

OW0810202490 Beijing XINHUA in English
1613 GMT 8 Oct 90

[Text] Fuzhou, Oct 8 (XINHUA)—A group of 55 Chinese mainland residents who entered Taiwan illegally was repatriated by the Taiwan Provincial Red Cross

Society and arrived at Mawei Harbor, Fuzhou City, at 2:30 pm (Beijing time) today.

The repatriation was carried out according to an accord concluded on Jinmen (Quemoy) Island in mid-September by Red Cross societies from both sides of the Taiwan Straits, and it was the first case of the implementation of the accord.

The mainland residents were transferred by the Taiwan Provincial Red Cross Society to the China Red Cross Society on Mazu (Matsu) Island. Officials from both Red Cross societies signed transfer witness documents.

The "Min-08" vessel belonging to the Fujian Provincial Red Cross Society arrived at Mazu Island at 9:32 AM. The transfer process was completed in 20 minutes, and the vessel began its return trip 11:40 AM.

Officials from both Red Cross societies expressed their satisfaction with the repatriation process.

Stance Against Taiwan Hosting Asiad Explained

HK0910071990 Hong Kong WEN WEI PO in Chinese
4 Oct 90 p 2

["Dispatch" by WEN WEI PO reporter Juan Chi Hung (7086 4764 1347): "Chinese Olympic Committee President He Zhenliang Explains Why China Does Not Support Taiwan's Sponsorship of Asian Games"]

[Text] Beijing, 3 September (WEN WEI PO)—He Zhenliang, vice chairman of the International Olympic Committee and president of the Chinese Olympic Committee, told reporters at a small news conference today that China has repeatedly made clear to the Taiwanese side its attitude that China does not support Taiwan's sponsorship of the 1998 Asian Games. He said: "Chairman Chang Feng-hsu and I have had many conversations between us. In fact, I told Chairman Chang my attitude long ago. I pointed out to Chairman Chang that according to the present situation in which the Taiwanese authorities have made many regulations imposing political discrimination on mainlanders travelling to Taiwan, it will violate the constitution of the Olympic Council of Asia if those regulations are not abolished. I also explained to Chairman Chang that the executive bureau of the Olympic Council of Asia has made a decision in principle that the Asian Games should, to the greatest extent, be held in turn in the four regions of Asia."

He Zhenliang said: "It is comprehensible that Chairman Chang feels a little upset about it. I think Chairman Chang will understand, for the outcome is inevitable. The Chinese Olympic Committee always speaks highly of the efforts made by Mr. Chang Feng-hsu and Li

Ching-hua in promoting sports exchanges between the two sides of the Taiwan Strait."

In replying to the question whether or not China will support Taiwan's sponsorship of the Asian Games if the Taiwanese authorities abolish relevant laws and regulations, He Zhenliang said: "By now, the 1998 Asian Games have already been arranged and the next application will be for the sponsorship of the 2002 session. Since many things will happen between the period of the present and the year 2002, we will make further discussions then according to the development of the situation." He Zhenliang indicated that he was surprised by China's being denounced as mixing sports with politics when China opposed laws and regulations bearing political discrimination. He felt it ridiculous that truth and falsehood were confused in such a way. He said: "Is a sports meet in which we cannot participate worthy of the name of the Asian Games?" He emphasized, however, that he only hopes to treasure and value the achievements instead of being engaged in some kind of debate.

COC Opposes Taiwan Hosting Asiad

OW0810133290 Beijing XINHUA in English
1254 GMT 8 Oct 90

[Text] Beijing, October 8 (XINHUA)—The Chinese Olympic Committee (COC) opposes Chinese Taipei's bid to host the 1998 Asian Games because they did not meet the bid requirements of the Olympic Council of Asia (OCA). He Zhenliang, president of the COC said at a press conference here today.

"We don't think it is a proper time for Chinese Taipei to host the 98 Asian Games, as some related so-called rules by Taiwan authority are in violation of rules of the Olympic Council of Asia," the president said.

"The Chinese Olympic Committee has told the Chinese Taipei Olympic Committee more than once that Chinese Taipei do not meet the requirements set by OCA to bid the hosting of the Asian Games now and it is no wonder that their bid was opposed at the OCA meeting held two weeks ago," added he.

The official said he hoped the Chinese Taipei Olympic Committee would understand this.

Meanwhile, he thought that it would not have any impact on the sports exchanges between the two sides of the Taiwan Straits.

"We have been making great efforts to promote the sports exchanges between the two sides of the Taiwan Straits and we have got some achievements," said He Zhenliang.

The president also expressed his optimism that both sides between the Taiwan Straits would further promote the sports exchange in the future.

Opposition Challenges President's Unification Call
*BK0710115190 Hong Kong AFP in English 1114 GMT
7 Oct 90*

[By Benjamin Kang Lim]

[Text] Taipei, Oct 7 (AFP)—Taiwan President Li Teng-hui on Sunday renewed the Kuomintang (KMT) government's longstanding vow to unify China, but was challenged by a veiled opposition call for the island's independence.

"The suffering of China should end and its territory unified at an early date," he told the founding meeting of the National Unification Council (NUC) here.

Hours later, the opposition Democratic Progressive Party (DPP) challenged Mr. Li by endorsing a resolution seen as an implicit call for Taiwan's independence.

At the end of a two-day congress in Taoyuan south of here, DPP delegates adopted a statement asserting that the government's sovereignty does not extend to Mainland China or Mongolia, which declared independence in 1921.

Since the KMT retreated to Taiwan 41 years ago—having lost the mainland in a civil war—both Taipei and Beijing have claimed to rule all of China and consider seditious the advocacy of a Taiwan independent of China.

"Taiwan's sovereignty is independent," the DPP resolution read. Party chairman Huang Hsin-Chieh called for "self-determination" for the island.

"In the face of KMT threats and intimidation ... We are psychologically prepared and ready to put up a final battle," he said in apparent reference to Premier Hao Po-tsun's warning that resolution's passage would lead to the DPP's prosecution.

At the NUC's inauguration, Mr. Li said, "The unification of China is not a distant dream. Safeguarding the nation's territorial and sovereign integrity is a duty and responsibility that I, as president, cannot shirk."

"Although our reconstruction has been restricted to Taiwan ... Never for a moment have we abandoned our goal recovering the mainland," he said.

The president, who is also chairman of the NUC, said the council's founding was "not only a manifestation of our determination but is also the beginning of our action (to unify China)."

Mr. Li established the NUC in what political analysts said was a bid to allay suspicions that he was sympathetic toward the outlawed Taiwan independence movement and had abandoned the KMT's goal of recovering the Chinese mainland.

Mr. Li, the first native Taiwanese ever to become president, aroused the suspicion of the KMT old guard by

inviting several dissidents exiled for advocating independence to a national affairs conference here in June, according to National Taiwan University law professor Hu Fo.

On Tuesday, Mr. Li appointed three vice chairmen and 30 members to the NUC, including Kang Ning-Hsiang, a fallen founder of the DPP, and Yuan T. Lee, a Chinese-American who won the 1986 Nobel prize for chemistry.

Mr. Kang was absent from the NUC's first meeting after members of the DPP's radical, pro-independence new tide faction threatened to expel him if he joined the council.

The DPP resolved to boycott the NUC after Mr. Li ignored its demands that the word "unification" be dropped from the council's name, arguing that the word predetermines a policy of seeking eventual reunion with China.

President To Launch National Unification Council
*OW0610231990 Taipei CNA in English 1605 GMT
6 Oct 90*

[Text] Taipei, Oct. 6 (CNA)—President Li Teng-hui will announce the official birth of the National Unification Council in its first meeting Sunday.

President Li, also chairman of the council, will also announce the name of the council's research committee members at the Taipei State Guesthouse.

Ma Ying-jeou, executive secretary of the Executive Yuan's Mainland Affairs Task Force, will report on the government's mainland policy and relations between the two sides of the Taiwan Straits.

Presidential Secretary General Tsiang Yien-si will report on the preparatory work for launching the National Unification Council.

All three vice chairmen of the council—Li Yuan-zu, Hao Po-tsun and Kao Yu-shu—will be present. [Words indistinct] just returned from a trip to the United States and Europe Saturday evening.

Li Yuan-tze, a Nobel laureate and an Overseas Chinese scholar in the United States, has also returned to Taipei for the meeting.

Kang Ning-hsiang, an advisor to the opposition Democratic Progressive Party, was still undecided as to whether he would participate in the council's first meeting.

Deputy Presidential Secretary General Chiu Chin-yi will act as the council's executive secretary supervising the work of the secretariat and three divisions on conference, press and general affairs.

Compensation Plan for Crash Victims' Families*OW0710103990 Taipei Domestic Service
in Mandarin 2300 GMT 5 Oct 90*

[From the "National Hookup" program]

[Text] After the Chinese communist authorities announced that each of the passengers who died in the plane crash at Canton's [Guangzhou's] Baiyun [Baiyuan] Airport will receive compensation of 20,000 yuan renminbi and \$10,000, the families of the deceased in Canton and in Taiwan both expressed dissatisfaction. They presented a 12-point statement to Chen Kai-chi, director of the Chinese communists' unit in charge of handling the 2 October incident. Chen accepted the statement in principle and the families also started to identify the bodies.

As for compensation, Chen Yao-chi, president of the Taipei Federation of Tourism and Commerce, said he would discuss the matter with the Chinese communist authorities again.

The Taiwan families of the deceased tentatively decided to hold a ceremony at the Taipei Funeral Parlor on 9 or 10 October to mourn their relatives.

Due to the Chinese Communists' slow postmortem work, it is still not certain when the bodies of those who died in the plane crash can be brought back to Taiwan. The Taiwan families of the deceased indicated that, after the bodies have been brought back to Taiwan, a public ceremony will be held within three days to mourn them.

According to reports from Canton, the Chinese Communists agreed in principle to permit families of the deceased to identify the bodies after 1000 today; but whether or not they can do so depend on the progress of the Chinese Communists' forensic procedures.

Meanwhile, Mao Shi-pai, director of the Taiwan Tourism Bureau, yesterday assured the families of the deceased in Canton that, in the next two days, a semi-official nongovernment organization will represent them to negotiate with the Chinese communist authorities for the most rational reparations. Director Mao disclosed that this organization would most probably be the Red Cross Society.

It is reported that an emergency document drafted by the Tourism Bureau requesting Red Cross officials and lawyers to go to the mainland to assist the families of the deceased in negotiating with the Civil Aviation Administration of China was approved by Chang Chien-pang, minister of communications, yesterday. The document was delivered to the Executive Yuan for Premier Hao Po-tsun's instruction.

Premier Hao firmly pointed out yesterday that the Republic of China [ROC] is a country committed to carrying out international obligations and is firmly against plane hijacking. As for hijacking, he said, the ROC response must live up to the expectations of all

passengers and all countries in the world. On the compensation for the families of the deceased, he said the government [as heard] will negotiate with the Chinese Communists through proper channels.

Mainland Handled Hijacking 'Inappropriately'*OW0610154590 Taipei International Service
in English 0200 GMT 6 Oct 90*

[Text] Premier Hao Po-tsun on Friday again blasted communist Chinese authorities for inappropriately handling the recent air disaster at Canton's Pai-yun [Baiyun] airport. Hao also said that the communist Chinese have tried to dirty the ROC's [Republic of China] reputation by saying Taiwan is the hijackers' paradise, and said that the ROC simply cannot accept such remarks. He said that the ROC abides by international principles and responsibilities as an independent nation, and totally opposes hijacking incidents. He said that in the past, when mainland hijackers forced planes to Taiwan, authorities here took immediate actions to punish those involved. He said that Tuesday's disaster in Canton resulted wholly from the poor handling of the situation by mainland authorities.

Time Not Yet Ripe for Reunification Negotiations*OW0510190690 Taipei CNA in English 1448 GMT
5 Oct 90*

[Text] Taipei Oct. 5 (CNA)—Premier Hao Po-tsun said Friday that the time is not yet ripe for the Republic of China [ROC] to negotiate with the Chinese Communists on national unification.

In reply to an interpellation by legislator Chen Kuei-miao, Hao denied that the governments "no contacts, no negotiations and no compromises" policy toward Peking is communist phobia.

The premier pointed out that the unification of Germany has set a good model for divided countries: The voter system takes control to improve the bad one.

Hao said the Republic of China Government will promote cultural, news and economic exchanges across the Taiwan Strait in order to stimulate qualitative changes in Mainland China and to pave the way for eventual China unification under freedom and democracy.

Premier Hao Po-tsun on Three No's Policy*OW0610154290 Taipei International Service
in English 0200 GMT 6 Oct 90*

[Text] Premier Hao Po-tsun on Friday, when replying to a query by a law-maker in the Legislative Yuan, said that now it is not the right time for negotiation or contact between the two sides of the Taiwan Strait. Hao said that he feels that if the two sides unite, it must be under a free and democratic system and minus the communist system. Hao said that the ROC's maintaining the three no's policy in relation to the communist Chinese regime

is not based on fear; rather, because current conditions are not yet ripe for talks between the two sides. The three no's will still stand. Hao said that he agrees with the legislator that the Chinese Communists should not be the communist orphan in the world and the only nation which does not want to move towards democracy.

On other topics, the premier also said that an intermediary group between the two sides of the Taiwan Strait will be formed after the establishment of the National Unification Committee. As to the exact time when the intermediary group will be set up though, Hao only said that it will be in the near future.

Taiwan To Allow Indirect Investment on Mainland

OW0610231590 Taipei CNA in English 1608 GMT
6 Oct 90

[Text] Taipei, Oct. 6 (CNA)—The Republic of China Government Saturday began processing applications by enterprises in Taiwan to indirectly invest on the China mainland or to enter into joint ventures with their mainland counterparts.

According to a package of regulations issued by the Ministry of Economic Affairs, the investment and joint venture projects are limited to [word indistinct] items explicitly sanctioned by the government.

The items are mainly agricultural raw material and products, fuels, minerals, chemicals and metals.

A spokesman for the ministry said those enterprises that had already invested on the mainland are required to report to the ministry within six months.

The government will ask relevant government agencies and industry associations to provide assistance only to enterprises whose mainland investment projects have cleared legal procedures, the spokesman said.

An official of the ministry's investment commission, who is in charge of screening of the investment projects, said the projects will be handled completely the same as overseas investment projects.

Repatriation First Legal Direct Link With PRC

BK0710101490 Hong Kong AFP in English 0958 GMT
7 Oct 90

[Text] Taipei, Oct 7 (AFP)—More than 50 illegal immigrants were to be repatriated to China by ship Sunday in the first legal direct link between Taiwan and the mainland since 1949.

The illegal immigrants were taken from a military detention center in northeastern Taiwan to Matsu, a Taipei-controlled offshore island one mile (1-1/2 kilometers) off China's southeast coast.

They were to be put on a red cross vessel and were expected to arrive in Fujian Province early Monday.

The trip would be the first government-approved direct sea crossing of the Taiwan Strait since 1949, when the ruling Kuomintang (KMT) fled here after losing a civil war to the Communists on the Chinese mainland.

The KMT government has prohibited direct air and sea links between Taiwan and China for more than four decades, but the ban was eased to allow for the repatriation of illegal Chinese immigrants on humanitarian grounds.

Direct commercial shipping links are still banned.

Taiwan's Red Cross and its Chinese counterpart reached an agreement in September to assume joint responsibility for the repatriation of illegal immigrants and fugitives after 46 deaths at sea.

Repatriation had previously been handled by Taiwan's military.

Twenty-five illegal Chinese immigrants suffocated in the sealed hold of their vessel in August after they were expelled from Taiwan.

Another 21 went missing and were feared dead after their boat collided with an escorting Taiwan naval ship later in the month.

Thousands of Chinese in search of higher-paying jobs have been smuggled onto the island by fishing boats sailing direct between Taiwan and China in violation of the ban.

A total of 328 Chinese fishing boats carrying 10,952 illegal immigrants were sent back to China between June 1988 and August this year, according to government statistics.

Democratic Party Congress Opens 5 Oct

OW0510194790 Taipei CNA in English 1429 GMT
5 Oct 90

[Text] Taipei, Oct. 5 (CNA)—The Democratic Progressive Party (DPP), the Republic of China's major opposition political force, will hold a congress Saturday and Sunday to determine the party's future strategies.

A DPP spokesman said the congress, which will open at the Taoyuan Holiday Hotel at 2 p.m. Saturday, will have two major slogans "Reform the Constitutional System" and "Rebuild the Nation."

The four-year old party will take advantage of the gathering to evaluate the situation since President Li Teng-hui and Premier Hao Po-tsun came to office on May 28 and June 1 respectively, he said. Both Li and Hao belong to the ruling Kuomintang.

Delegates to the congress will also review the party's internal operations and formulate future strategies and the direction of development, the spokesman said.

Another urgent task for the congress, he said, is to reform the party itself, which has been troubled by financial problems, factional conflict and structural shortcomings.

Premier Reiterates Commitment to Democracy

*OW0410185990 Taipei CNA in English 1552 GMT
4 Oct 90*

[Text] Taipei, Oct. 4 (CNA)—Premier Hao Po-tsun Thursday reiterated the Republic of China's [ROC] unswerving determination to promote democracy and to uphold human rights, saying it complies with worldwide trends.

Addressing the Seminar on Human Rights Organizations in Asia-Pacific, Premier Hao said democratic and human rights ideas have swiftly taken root in the Republic of China since martial law was lifted in 1987.

In its rapid development toward becoming a fully open and pluralistic society, Hao said the ROC Government has also placed an equal emphasis on the rule of law in order to better safeguard human rights.

The premier noted that the free countries of the Asia-Pacific region face similar problems in promoting human rights. He hoped the seminar would help formulate a consensus among the participating countries as to how to further enhance the safeguarding of human rights.

The seminar, the first of its kind ever held in Taiwan, closed Thursday after three days of discussions. Scores of academics, and human rights activists from 13 countries attended the symposium sponsored by the Chinese Association for Human Rights and several other non-profit foundations in Taiwan.

Trade With Hungary Growing Steadily

*OW0310174990 Taipei CNA in English 1454 GMT
3 Oct 90*

[Text] Taipei, Oct. 3 (CNA)—Two-way trade between the Republic of China and Hungary has grown steadily since that East European state adopted a free trade policy a few years ago, the Board of Foreign Trade [BOFT] reported Wednesday.

According to BOFT statistics, Sino-Hungarian trade reached 50 million U.S. dollars in 1989, up 67 percent from 30 million U.S. dollars in 1988. For the first eight months of 1990, trade volume rose a further 6 percent from a year earlier to 36 million U.S. dollars.

By contrast, BOFT said, commercial exchanges between Hungary and Mainland China have declined dramatically during the past three years. Mainland China-Hungarian trade plummeted to 227 million U.S. dollars last year from 369 million U.S. dollars in 1988. Mainland exports to Hungary decreased from 1987's 190 million U.S. dollars to a scant 84 million in 1989.

BOFT officials attributed the fast dwindling mainland-Hungarian trade principally to the fact that mainland products can not compete with merchandise from industrialized free-market economies in both price and quality.

Premier on Relations With Indonesia, Singapore

*OW0310220090 Taipei International Service
in English 0200 GMT 3 Oct 90*

[Text] Premier Hao Po-Tsun stated on Tuesday that the ROC's [Republic of China] substantive relations with Indonesia and Singapore will not be affected in the wake of establishment of diplomatic ties between communist China and the two countries. In answering legislator's query at the Legislative Yuan, the premier stated that the ROC will maintain its One China policy. However, the ROC will utilize flexible diplomacy and substantive relations to keep Southeast Asia as an important place to develop diplomatic ties.

In related news, the ROC representative to Singapore (Chen Li-Chih) stated on Tuesday that the ROC and Singapore will continue to cooperate on the basis which has already been established. And the relations between the two countries will continue to develop in the future. Chen said that the level of the ROC representative office in Singapore is a commercial one. Therefore substantive ties between the two countries will not be affected in the future when communist China and Singapore establish formal diplomatic ties.

Talks Seek Expanding French Industrial Ties

*OW0210181290 Taipei CNA in English 1548 GMT
2 Oct 90*

[Text] Taipei, Oct. 2 (CNA)—The Republic of China and France Tuesday ended eight days of industrial consultations here with both sides promising to strengthen bilateral industrial cooperation.

The Republic of China delegation to the conference was led by Yang Shih-chien, director general of the Industrial Development Bureau. The French delegation was headed by C. Marbach, director general of the General Directorate of Industry.

The consultations from Sept. 25 to Oct. 2 marked the first time in many years that France had sent official representatives to talk with their Republic of China counterparts on promoting industrial cooperation between the two countries.

Yang told reporters at the end of the conference that delegates from both sides had fully exchanged opinions on a wide range of issues and reached consensus on a number of ways to enhance industrial cooperation between their countries.

The leading Chinese industry official also said Taipei had proposed to sign industrial cooperation agreements

under which France would transfer technology to help the country build its rapid transit systems and a planned high-speed railroad.

According to the consensus reached at the meetings, the two countries will systematically stimulate more frequent contacts between their industries in order to promote bilateral cooperation and understanding.

They also demonstrated the interest in enhancing scientific and technological cooperation and encouraging joint venture investment projects, especially in the field of high-tech industry.

The Republic of China was particularly keen to cooperate with France in the development of such industries as space, information, biotechnology and environmental protection.

The two sides agreed to make concerted efforts to overcome problems in investment procedures and in the protection of intellectual property rights.

Businessmen Urged To Enter Soviet Market

OW0410212290 Taipei CNA in English 1528 GMT
4 Oct 90

[Text] Taipei, Oct. 4 (CNA)—With the Soviet Union gradually shifting [words indistinct] economy to a free one, now is the right time for the Republic of China to tap that potential market, CETRA (China External Trade Development Council) official urged Thursday.

Many Taiwan businessmen have demonstrated a strong desire to join a Moscow consumer goods exhibition early next year, the official said.

In addition, 28 computer manufacturers from Taiwan will participate for the first time in a Moscow computer exhibition Oct. 11-17, during which Taiwan computers, peripherals, and software will be displayed.

Taiwan's Export Volume to USSR Increases

OW0410222990 Taipei International Service
in English 0200 GMT 4 Oct 90

[Text] ROC [Republic of China] exports to the Soviet Union in the first eight months of 1990 increased to \$33 million, up 309 percent from \$8 million in the same period last year. The Chunghua Institution for Economic Research said that the eight months' two-way trade between the two countries reached almost \$70 million and should register a record \$100 million this year, making the Soviet Union the ROC's top trading partner among the East European countries. The institution added, however, the Soviet Union is still a new market for the ROC to explore, especially when compared with efforts by other newly industrialized economies, such as Hong Kong, Singapore, and South Korea. Taipei's trade with the Soviet Union, for instance, accounts for only 20 percent of the ROC's total trade with East European

countries, as compared with over 60 percent for Singapore and 36 percent for Hong Kong.

Taiwan, Thailand Sign Agreement on Investment

OW0310182790 Taipei International Service
in English 0200 GMT 2 Oct 90

[Text] The ROC [Republic of China] representative to Thailand, Liu Ying, has stated that the two countries have signed an agreement protecting investment by Taiwan businessmen in Thailand, abolishing the unfair double tax treatment which Taiwan investors in Thailand have had to deal with in the past.

Liu stated that starting from January of this year, ROC investors have begun switching their focus of their investment from Thailand to Indonesia and Malaysia, since the (?law of the) two countries provides guarantee for the protection of Taiwan investment in their countries.

Liu also said that the ROC Government has plans to establish a Chinese school in Bangkok to educate the children of ROC Government personnel and investors stationed in the Thai capital.

Liu also said he hopes that Taiwan investors in Thailand will unite and ask the Thai Government to pay more attention to strengthening [words indistinct] ties with Republic of China.

Foreign Officials To Attend National Day Ceremony

OW0410170790 Taipei CNA in English 1531 GMT
4 Oct 90

[Text] Taipei, Oct. 4 (CNA)—Eighteen countries will send 119 government and military leaders to the Republic of China for its National Day celebrations on Oct. 10, the Ministry of Foreign Affairs said Thursday.

The list of foreign dignitaries includes General Joao Bernardo Vieira, State Council president of the Republic of Guinea Bissau; Panamanian Second Vice President Guillermo Ford; Honduran Vice President Jacobo Hernandez; and Premier Obed Dlamini of Swaziland.

Costa Rica's National Assembly Speaker Juan Trejos, Belize's Fishery and Agriculture Minister Michael Espat, Haitian General Chief of Staff Gerard Lacrete and Lesotho Military Commission member Michael Tsotetsi will also be among the foreign guests.

Others coming for the double ten celebrations include Hugo Estigarribia, [title indistinct] of Paraguay; Ferdinand Henry, agriculture and land cooperation minister of Saint Lucia; Finance Minister S.J. Du Plessis of South Africa; and Juan Ferreira, a congressman of Uruguay.

Premier Hao Po-tsun Meets New Ambassadors

*OW0410212090 Taipei CNA in English 1525 GMT
4 Oct 90*

[Text] Taipei, Oct. 4 (CNA)—Premier Hao Po-tsun received the new Costa Rica and Dominican Republic ambassadors to the Republic of China Thursday. While meeting Ambassador Rafael Cob Jimenez of Costa Rica, Hao praised the Central American country as a "model democracy" which he would very much like to visit.

He said that following the political upheavals in Panama and Nicaragua, Central American countries have gradually formed an economic bloc in pursuit of common prosperity.

Ambassador Cob, who had been ambassador here between 1978 and 1982, said he could see great changes in the Republic of China after an absence of eight years.

He assured the premier that he would do his best to promote relations between the two countries.

Welcoming Dominican Republic Ambassador Juan Julio Morales, Hao said he himself has many friends in Morales' country.

Ambassador Morales said he hopes to contribute what he could to promoting cooperative ties between the two countries.

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